

HCDPATI1

Trial

1 UNITED STATES DISTRICT COURT  
2 SOUTHERN DISTRICT OF NEW YORK

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3 UNITED STATES OF AMERICA,

4 v.

S4 15 Cr. 867 RMB

5 MEHMET HAKAN ATILLA,

6 Defendant.

7 -----x

8  
9 December 13, 2017  
10 9:15 a.m.

11  
12 Before:

13 HON. RICHARD M. BERMAN,

14 District Judge  
15 and a jury

16  
17 APPEARANCES

18 JOON H. KIM,  
19 United States Attorney for the  
20 Southern District of New York  
21 MICHAEL DENNIS LOCKARD,  
22 SIDHARDHA KAMARAJU,  
23 DAVID WILLIAM DENTON, JR.,  
24 DEAN CONSTANTINE SOVOLOS,  
25 Assistant United States Attorneys

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(APPEARANCES Continued)

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Attorneys for defendant Atilla  
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- and -  
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- and -  
LAW OFFICES OF JOSHUA L. DRATEL, P.C.  
BY: JOSHUA LEWIS DRATEL, Esq.  
Of counsel

Also Present:  
JENNIFER McREYNOLDS, Special Agent FBI  
MICHAEL CHANG-FRIEDEN, Paralegal Specialist USAO  
MS. ASIYE KAY, Turkish Interpreter  
MS. SEYHAN SIRTALAN, Turkish Interpreter

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1 (Trial resumed; jury not present)

2 (At the side bar)

3 MR. KAMARAJU: Morning, your Honor.

4 MS. FLEMING: Hi, Judge.

5 THE COURT: Hi, how are you today?

6 MS. FLEMING: Good.

7 MR. KAMARAJU: So I think the parties are stipulating  
8 to a number of testimonial stipulations to trim down the trial,  
9 including internet service providers with respect to e-mails,  
10 bank record custodians with respect to those kinds of  
11 foundational requirements, and the FDIC status of the various  
12 victim banks.

13 Pursuant to those stipulations, the government intends  
14 to move in the exhibits that are sort of -- the foundation is  
15 laid for through those. Defense counsel, I think, and I'll let  
16 her speak for herself, but defense counsel had a question as to  
17 how to sort of preserve an objection.

18 MS. FLEMING: They put in here that, therefore, it may  
19 be admitted in evidence. We want to preserve our subject to  
20 and relevance objections on certain of them. So we can either  
21 add the language "subject to" but that takes it out of your --  
22 it's kind of presumptuous to say "they may be admitted subject  
23 to."

24 THE COURT: I don't mind.

25 MS. FLEMING: As long as you didn't mind, we didn't

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1 want to be presumptuous.

2 THE COURT: No problem. Are you going to read them as  
3 part of the direct case?

4 MR. KAMARAJU: Yes, we're going to read the  
5 stipulation.

6 THE COURT: You can make that change.

7 MS. FLEMING: Okay. I just wanted to make sure that  
8 we didn't waive anything, and we were preserving our  
9 objections.

10 THE COURT: Okay. Thanks.

11 MR. KAMARAJU: Thanks, Judge.

12 THE COURT: We don't have all the jurors yet, that's  
13 what we're waiting for.

14 MR. KAMARAJU: Okay, thanks.

15 (In open court)

16 (Pause)

17 MR. HARRISON: Judge, can we approach just briefly?

18 THE COURT: Yes, sure.

19 (At the side bar)

20 MR. HARRISON: I just sort of wanted to front  
21 something briefly, Judge. Mr. Lockard, I think with this  
22 witness, and he and I have talked, is going to try to elicit  
23 from this witness his recollection of what was on some  
24 audiotapes that we don't have.

25 THE COURT: Okay.

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1 MR. HARRISON: So I think he's going to try to refresh  
2 his recollection from the transcripts. This is a very  
3 sensitive area for us, since we have no audio. So we can't  
4 really verify whether what he says or not, or whether the  
5 transcripts that we got are true or not. So if he's going to  
6 refresh his recollection based on transcripts that we don't  
7 have audio for, I'm just going to ask that he, with this  
8 witness, really be held to the way --

9 THE COURT: Refresh the recollection.

10 MR. HARRISON: Look at the document and if it sparks a  
11 real memory, he should put the document down and testify from  
12 his memory.

13 THE COURT: That's the way you refresh someone's  
14 recollection.

15 MR. LOCKARD: Yes, your Honor.

16 MR. HARRISON: Thank you.

17 THE COURT: Oh, just so you know, I'm going to say  
18 that I've been working with you and everybody's been  
19 cooperative to blah, blah, blah, and then I'm going to say,  
20 from my point of view, I'm hopeful that we'll finish the trial  
21 a week from today or before, not just you guys, because I know  
22 they want to know.

23 MR. HARRISON: Okay.

24 THE COURT: But it doesn't hold you to that either; so  
25 you know what I'm saying.

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1 MR. KAMARAJU: Absolutely, your Honor.

2 MR. LOCKARD: I think we're comfortable with that  
3 optimism.

4 (Continued on next page)

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Korkmaz - Direct

1 (In open court)

2 (Jury present)

3 THE COURT: Good morning, everybody. So I've been  
4 talking to the lawyers for both sides, and they've been very  
5 cooperative. And my goal is that we conclude the trial on or  
6 before a week from today. That is to say, all of the  
7 testimony. Maybe hopefully sooner, if possible, but that is my  
8 goal. So I just wanted to share that with all of you. So  
9 we'll continue direct examination by the government.

10 THE DEPUTY CLERK: Sir, before we begin, I'd like to  
11 remind you that you're still under oath.

12 THE WITNESS: Thank you, yes.

13 HUSEYIN KORKMAZ,

14 called as a witness by the Government,

15 having been previously duly sworn, testified as follows:

16 DIRECT EXAMINATION RESUMED

17 BY MR. LOCKARD:

18 Q. Good morning, Mr. Korkmaz.

19 A. Good morning to you, as well.

20 Q. So yesterday we were talking about some of the phone calls  
21 gathered in your investigation relating to Mr. Atilla?

22 A. Yes.

23 Q. And if we could pull up Government's Exhibit 261-T. I'm  
24 sorry, it should be 295-T. There we go.

25 And I believe you had just been talking about

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Korkmaz - Direct

1 recognizing phone numbers from your participation in the  
2 investigation?

3 A. Yes, some of them and the last four digits of some of them.

4 Q. And do you recognize Mr. Atilla's phone number?

5 A. I remember it was 4545.

6 Q. And if we could go to the next page of this exhibit. Can  
7 you remind us again who this conversation is between?

8 A. It's between Mr. Hakan Atilla and Reza Zarrab.

9 Q. And in the middle of the page, where Mr. Zarrab describes a  
10 transaction for testing purposes, does Mr. Zarrab mention both  
11 food transactions and gold transactions to Mr. Atilla?

12 A. That is correct.

13 Q. And if we can now go to Government's Exhibit 261-T. What  
14 is the date of this call?

15 A. July 9th, 2013.

16 Q. And who is it between?

17 A. Mr. Hakan Atilla and Reza Zarrab.

18 MR. LOCKARD: And, Mr. Chang-Frieden, if you could  
19 take us to the next page.

20 Q. And, again, looking towards the middle of the page, does  
21 Mr. Atilla reference an in-coming transfer of money?

22 A. That is correct.

23 Q. And can you tell us what Mr. Atilla says about the field of  
24 business for the company receiving the money?

25 A. He says that the transfer was received by a company called



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1 Volgam. He's asking whether food was mentioned in the field of  
2 business for Volgam with regards to these transactions.

3 Q. And do you have an understanding of what is meant by the  
4 reference to "the other side"?

5 MR. HARRISON: Objection, your Honor.

6 THE COURT: Overruled. If you know.

7 A. Yes.

8 Q. And, in fact, what does Mr. Atilla say about what he means  
9 by "the other side"?

10 MR. HARRISON: Objection, calls for speculation.

11 THE COURT: Overruled. It's right in front of you on  
12 the screen what he said.

13 A. Yes, I can understand.

14 Q. And what does Mr. Atilla say about that?

15 A. What I understand from here is that they had used Royal  
16 before and food was part of the field of business for Royal,  
17 and they're talking about whether to use Royal or not.

18 Q. And when they talk about precious assets, is that the other  
19 side that Mr. Atilla is referring to?

20 MR. HARRISON: Objection, calls for speculation.

21 THE COURT: Overruled. You can tell from the exhibit.

22 A. That is correct.

23 Q. So one side is food and the other side is gold?

24 MR. HARRISON: Same objection.

25 THE COURT: Overruled, for the same reason.

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Korkmaz - Direct

1 A. That is correct.

2 Q. So, Mr. Korkmaz, you had described early in your testimony  
3 how Iranian oil proceeds were used to fund the food and the  
4 gold business; do you recall that?

5 A. That is correct.

6 Q. Do you recall a conversation from April 14th of 2013  
7 between Mr. Zarrab and Mr. Aslan about Iranian oil proceeds?

8 MR. HARRISON: Objection to form, Judge.

9 THE COURT: Overruled.

10 A. That is correct.

11 Q. Is that a call that was intercepted in the course of your  
12 investigation?

13 A. Yes.

14 Q. Is that a recording that you were able to make a copy of  
15 and keep with you?

16 A. No. I understand that there's no audio.

17 Q. Do you know if there is a transcript from the Turkish  
18 investigation for that call?

19 A. Certainly.

20 Q. Do you remember the content of that call?

21 A. Yes.

22 Q. Is that a call that you listened to during your  
23 investigation?

24 A. This was among the audio recordings that I had listened to  
25 first as I was learning how to listen or monitor audio

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1 recordings.

2 Q. Can you describe for us generally what was discussed during  
3 that phone call?

4 MR. HARRISON: Objection, your Honor, as we discussed,  
5 to any hearsay elicited about this particular call.

6 THE COURT: That's not what he's asking. You've got  
7 to pay attention to the question. Could you restate the  
8 question, please.

9 Q. Mr. Korkmaz, could you describe the topic that was  
10 discussed between Mr. Zarrab and Mr. Aslan in that call on  
11 April 14th, 2013?

12 MR. HARRISON: Same objection, your Honor, calls for  
13 hearsay.

14 THE COURT: Overruled.

15 A. Reza Zarrab had told Suleyman Aslan that the NIOC  
16 delegation was still in Turkey for a visit and said that  
17 because of this, they were not were not at their normal place.  
18 He had said that there was a payment that would be -- that was  
19 to be made by Tupras.

20 Q. I'm sorry and by "he," you mean who?

21 A. This is being said by Reza Zarrab, and he had said that  
22 Tupras had payments to be made to the Central Bank of Iran  
23 account at Halkbank and that these payments were being made  
24 automatically.

25 However, Reza Zarrab requested that this payment not

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Korkmaz - Direct

1 be accepted by Halkbank and be put on hold and said that the  
2 NIOC people would be in their normal place on Monday and that  
3 they would send instructions to Tupras, and through that  
4 instruction, Tupras was going to make the payment directly into  
5 the NIOC account instead of going forward with the automatic  
6 payment.

7 Q. And do you recall what, if anything, Mr. Zarrab said about  
8 why he wanted Tupras' payment to be made to the National  
9 Iranian Oil Company instead of the Central Bank of Iran?

10 MR. HARRISON: Objection, leading.

11 THE COURT: Sustained.

12 Q. So could you please remind us, according to what Mr. Zarrab  
13 said on that call, how Tupras was making its payments for  
14 Iranian oil?

15 MR. HARRISON: Objection to hearsay.

16 THE COURT: Overruled.

17 A. Payments by Tupras were being made automatically into the  
18 Central Bank of Iran account at Halkbank. What I remember him  
19 saying was that if the money could be held up, then it could be  
20 provided -- that the money could be deposited directly into the  
21 NIOC account, and if it were to be deposited into the account,  
22 I remember him saying that all the money that would go into  
23 NIOC accounts would go to my account. And he had said, let's  
24 not miss this bird up in the air, let's not mess up on this --

25 THE COURT: Not miss what?

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1 THE INTERPRETER: Miss this bird in the air is what he  
2 said.

3 A. Let's not mess up on this opportunity to get the money in  
4 our account. So he was saying something like, let's not miss  
5 this chance.

6 Q. And, Mr. Korkmaz, do you remember a call on that same day,  
7 April 14th, 2013, between Mr. Aslan and Mr. Atilla?

8 A. Yes.

9 Q. Is that a call that was intercepted in the course of your  
10 investigation?

11 A. That is correct.

12 Q. And is that a call that you listened to in the course of  
13 the investigation?

14 A. That is correct. This was one of the conversations that I  
15 had listened to with other officers during the course of my  
16 learning of monitoring calls.

17 Q. And was a transcript made of that call?

18 A. That is correct.

19 Q. Were you able to keep a copy of that call?

20 THE COURT: Do you mean a recording?

21 MR. LOCKARD: Yes.

22 Q. A copy of the recording.

23 A. No. I believe this is among those where I did not have  
24 that.

25 Q. And what do you recall as the topic that was discussed

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1 between Mr. Atilla and Mr. Aslan in that call?

2 MR. HARRISON: Objection to hearsay, calls for  
3 speculation and opinion.

4 THE COURT: Excuse me, the testimony is that he  
5 remembers the call; so I'm going to allow it.

6 A. Yes.

7 Q. And what was the subject matter of the call? What was the  
8 topic that was discussed?

9 A. It was the same topic that's related to the topic that was  
10 within the preceding call.

11 Q. And what, if anything, did Mr. Aslan tell Mr. Atilla in  
12 that call?

13 MR. HARRISON: Same objection.

14 THE COURT: Overruled.

15 A. He said that the NIOC delegation was in Turkey, and he said  
16 that because of that, they had not had a chance to send  
17 instruction to Tupras but that they would do so. They talked  
18 about the automatic payment that Tupras makes into the Central  
19 Bank of Iran account at Halkbank. And he advised that this  
20 automatic payment not be made and not be deposited into the  
21 account and to hold this up until the NIOC officials could  
22 provide instruction to Tupras to make this payment directly  
23 into the NIOC account at Halkbank.

24 Q. And did Mr. Atilla agree to do that?

25 A. Yes.

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Korkmaz - Direct

1 Q. And in the call, did they discuss the amount of the  
2 transfer?

3 A. Two -- 200 is what I remember, 200 and some.

4 Q. And 200 what?

5 A. It's millions. Whether that was Turkish Liras or Euros, I  
6 can't remember that very well.

7 Q. Mr. Chang-Frieden, could we please pull up Government's  
8 Exhibit 1002-T, the WhatsApp chat between Mr. Zarrab and  
9 Mr. Aslan?

10 A. That is right.

11 Q. And in this exchange of chats on April 15th, 2013, what did  
12 Mr. Aslan tell Mr. Zarrab?

13 THE INTERPRETER: You said what did Zarrab tell Aslan,  
14 excuse me?

15 Q. What did Mr. Aslan tell Mr. Zarrab.

16 A. On the first one, what he's saying is that we are still  
17 holding off the Tupras instructions. Will a new one be  
18 provided, Mr. Reza?

19 Q. And if we could look at an exchange of chats about four  
20 hours later, the time stamped 14:16:15. What did Mr. Aslan  
21 tell Mr. Zarrab at that time?

22 A. "The NIOC business is done. Transfer is completed as we  
23 had planned."

24 Q. Mr. Korkmaz, from your investigation, are you familiar with  
25 other conversations that Mr. Atilla had about the NIOC account?

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1 A. Yes.

2 Q. Let's look at Government's Exhibit 304-T. Now, this is a  
3 May 6th, 2013, call between Mr. Zarrab and Mr. Aslan; is that  
4 right?

5 A. That is correct.

6 Q. And if we can go to the next page. As we look at the  
7 bottom quarter of the page, what did Mr. Aslan tell Mr. Zarrab  
8 beginning in the sentence "There is no problem"?

9 A. Excuse me, I could not hear the question fully.

10 Q. What did Mr. Aslan tell Mr. Zarrab in the part of the  
11 conversation beginning with "There is no problem over there"?

12 A. It says with regard to the thing, Hakan Atilla has just  
13 informed me that there is a 70 million transfer thing from NIOC  
14 to your account, but it's a direct one.

15 Q. And what did Mr. Zarrab say in response to that?

16 A. He said: "No, not direct. No. They made a mistake. It  
17 will go to Sarmayeh to share. You stop it, and I will get it  
18 corrected. They are stupid. They are retarded."

19 Q. What did Mr. Aslan say about who had informed Mr. Aslan  
20 about the fact of the 70 million transfer from NIOC to  
21 Mr. Zarrab's account?

22 A. He says that Mr. Hakan Atilla had made that.

23 Q. And approximately how long after the 200 million  
24 transferred from Tupras to NIOC?

25 A. It's about 20, 21 days.



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1 Q. Now, when you were describing the conversations about that  
2 Tupras transfer, I think you described that the NIOC people  
3 were not in their home office at that time?

4 A. That is what Reza Zarrab had said.

5 Q. And from your investigation, did you learn where the NIOC  
6 personnel were in mid-April of 2013?

7 A. Yes.

8 Q. And where were they?

9 A. They had come to Turkey for a visit.

10 Q. And who, if anyone, did they meet with while they were in  
11 Turkey in April of 2013?

12 A. They had met with Mr. Suleyman Aslan and Mr. Zafer  
13 Caglayan.

14 MR. LOCKARD: And, Mr. Chang-Frieden, if you could  
15 pull Government's Exhibit 304-T back up, and if we could turn  
16 to page 3.

17 Q. So in this May 6th call, does Mr. Zarrab also describe  
18 another meeting?

19 A. Yes.

20 Q. And if we could look down in the last half of the page, and  
21 what is Mr. Zarrab describing in the sentence that says: "You  
22 know, we also went to Mr. Prime Minister"?

23 A. I understand the visit by the delegation on May 3rd, 2013.

24 Q. And what does Mr. Zarrab say about who were at those  
25 meetings?

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1 A. So here, he's referring to going over to Mr. Taner and also  
2 he's referring to going over to Mr. Prime Minister.

3 Q. And who was Mr. Taner at that time?

4 A. Taner Yildiz.

5 Q. And what was his position?

6 A. He's the minister of energy.

7 Q. And from your investigation, did you learn who from the  
8 Iranian side was at these meetings?

9 A. Yes.

10 Q. And who was there from the Iranian side?

11 A. Rostam Ghasemi, the minister of oil from Iran was there,  
12 the president of NICO was there, Seyfullah, Mahmoud Nikousokhan  
13 from NIOC was there, and advisor Bushahri was there, and I also  
14 recall Ahmet Vani and Luk Mani, also from the Iranian  
15 delegation.

16 MR. LOCKARD: Mr. Chang-Frieden, do we have  
17 Government's Exhibit 137? Just for Mr. Korkmaz for the moment.

18 Q. Mr. Korkmaz, do you recognize that?

19 A. Yes.

20 Q. What is it?

21 A. This is an identification of communication report that  
22 pertains to a communication that was obtained through the  
23 investigation that we were conducting.

24 Q. Is it a text message, an SMS?

25 A. That is correct.

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Korkmaz - Direct

1 Q. And who is it between?

2 A. By the last four digits, the 6666 number was the line that  
3 was being used by Reza Zarrab, and up above it actually also  
4 says that the user of that line was Reza Zarrab, and the 1212  
5 was being used by Onur Kaya.

6 Q. And at that time, what was Mr. Kaya's position?

7 A. He was the executive assistant to the minister of economy,  
8 Mr. Zafer Caglayan, and the phone number for the other  
9 executive assistant was 9494.

10 MR. LOCKARD: We offer Exhibit 137.

11 MR. HARRISON: Objection, your Honor.

12 THE COURT: I'll allow it.

13 (Government's Exhibit 137 received in evidence).

14 THE COURT: What was the basis for the objection?

15 MR. HARRISON: Hearsay.

16 THE COURT: I'll allow it.

17 BY MR. LOCKARD:

18 Q. And, Mr. Korkmaz, does this text message from Mr. Zarrab to  
19 Minister Caglayan's assistant, does it describe the  
20 participants to those meetings that you had just identified?

21 A. That is correct.

22 Q. Now, you just described some meetings in April and in early  
23 May. From your investigation, are you familiar with other  
24 meetings between Halkbank officials and government of Iran  
25 officials?

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1 A. That is correct.

2 Q. And did those meetings also involve Mr. Zarrah?

3 A. Yes.

4 Q. Did they also involve government of Turkey officials?

5 A. Yes.

6 Q. And when did the other meetings take place?

7 A. In the investigation, there was one meeting that took place  
8 in early October of 2012. I recall that to be the 4th, 5th,  
9 6th of October, and I recall another visit that took place on  
10 November 8th, 2012.

11 Q. Were you able to record these meetings in your  
12 investigation?

13 A. When you mentioned recording, are you talking about audio  
14 recordings or video recordings?

15 Q. Were you able to record any aspect of the meetings  
16 themselves?

17 A. You mean the content of the meeting?

18 Q. Yes, sir.

19 A. No.

20 Q. Were you able to determine one way or another whether  
21 Mr. Atilla participated in any of those meetings?

22 THE COURT: Excuse me for a minute. Did you ask what  
23 the dates were again?

24 Q. Yes. Mr. Korkmaz --

25 A. What I remember is that the delegation arrived on 3rd of

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1 October, and between the 4th and 6th of October 2012 they had  
2 meetings, and I understand this based on the evidence that's in  
3 the investigation.

4 THE COURT: And you understand what?

5 THE INTERPRETER: And I understand this based on the  
6 evidence that is in the investigation.

7 THE COURT: Okay. Yes.

8 THE WITNESS: And then in the 11th month, November, on  
9 November 8th, 2013, they had a meeting.

10 THE COURT: Oh, 2013?

11 THE WITNESS: I apologize. That was 2012.

12 BY MR. LOCKARD:

13 Q. And then again, just to complete the timeline, what were  
14 the dates of the meetings in April and May of 2013?

15 A. It was April 10th, 2013; May 3rd, 2013.

16 Q. And I think you said earlier that we know from the call  
17 about the Tupras payments, that the Iranian delegation was  
18 still in Turkey on the 14th of April as well?

19 MR. HARRISON: Objection to leading, your Honor.

20 THE COURT: Overruled.

21 A. That is correct. That is what was understood from me.

22 Q. I believe I asked if you were able to determine from the  
23 investigation, one way or another, whether Mr. Atilla was at  
24 those meetings?

25 MR. HARRISON: Objection, your Honor.

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1 THE COURT: Overruled.

2 A. No.

3 Q. So let's now turn to early July of 2013. I believe you  
4 had -- well, did your investigation develop evidence relating  
5 to food transactions involving Iranian oil money during that  
6 time period, July of 2013?

7 A. Yes. So as far food, was the question referring to any  
8 real food trades? Because that's not what I meant.

9 Q. Did your investigation develop evidence relating to  
10 purported food transactions in July of 2013?

11 A. That is correct.

12 Q. In your investigation, did you learn of a call on July 2nd,  
13 2013, between --

14 THE COURT: I'm sorry, I can't hear you, counsel.

15 Q. Sorry. Did you learn of a call on July 2nd of 2013 between  
16 Mr. Zarrab and Mr. Atilla?

17 A. There was a high volume of conversations during that time  
18 with regards to food; so in terms of which specific  
19 conversation you might be referring to, I don't know.

20 Q. Do you recall there being such calls at that time?

21 A. Yes.

22 MR. LOCKARD: Your Honor, if I may approach?

23 THE COURT: Yes.

24 Q. So, Mr. Korkmaz, I'm going to hand you what's been marked  
25 for identification as Government's Exhibit 115.

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1 (Pause)

2 So does that refresh your recollection as to a  
3 particular call between Mr. Zarrab and Mr. Atilla on July 2nd,  
4 2013?

5 A. Yes, I do recall the content of this conversation.

6 Q. All right. Is that a call that was intercepted in the  
7 course of your investigation?

8 A. That is correct.

9 Q. Is that a call that you listened to during the  
10 investigation?

11 A. Yes, I remember checking this audio before the operation.

12 Q. So --

13 THE COURT: Is there an audio of this call?

14 MR. LOCKARD: Yes, your Honor.

15 Q. Were you able to keep a copy of that recording after the  
16 investigation?

17 A. No.

18 Q. Okay.

19 THE COURT: Then you can ask if, apart from the  
20 exhibit, his recollection has been refreshed.

21 MR. LOCKARD: Exactly, your Honor.

22 Q. So, Mr. Korkmaz, if you could please put Exhibit 115 to the  
23 side. I'll ask you some questions about your recollection of  
24 that recording.

25 A. Mmm, hmm.

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Korkmaz - Direct

1 Q. What was the general topic of discussion in that  
2 conversation between Mr. Zarrab and Mr. Atilla?

3 MR. HARRISON: Objection based on hearsay.

4 THE COURT: Overruled.

5 A. They were talking about the transit food trade that they  
6 would actively get involved in during that time.

7 Q. And was there any particular aspect of that trade that was  
8 discussed in this call?

9 A. That is correct.

10 Q. And what was that?

11 A. It is mentioned that a payment had been received for  
12 150,000 tons of wheat, and Mr. Hakan then says that this was  
13 not practically physically possible, based on what Mr. Reza had  
14 told him before about transporting the goods on wooden ships  
15 with 5,000 or 10,000 capacity. And Reza Zarrab says but this  
16 is how it's done over there.

17 And I recall that Mr. Hakan Atilla had said, in that  
18 case, the vessel would have to go back and forth 30, 40 times.  
19 And I recall that Mr. Reza had said that they made a technical  
20 error in terms of the transfer amount, and I recall that early  
21 in the conversation there was an explanation such as this. And  
22 Reza Zarrab says that we had already said that we cannot  
23 provide bill of lading because, as I had mentioned to you  
24 before, these are small vessels. They are not like those large  
25 vessels. And I recall that Mr. Hakan had responded to that



HCDPATI1

Korkmaz - Direct

1 when he had said that 150,000 tons is not really physically  
2 practically possible.

3 Q. Mr. Korkmaz, do you remember, or are you familiar with,  
4 another call between Mr. Zarrab and Mr. Atilla that same day?

5 A. I do remember that there was another call on that day based  
6 on the investigation.

7 Q. Another call between Mr. Zarrab and Mr. Atilla on July 2nd,  
8 2013?

9 A. That is correct.

10 Q. And is that a call that you -- that was intercepted in the  
11 course of the investigation?

12 A. That is correct.

13 Q. Is that a recording that you listened to during the course  
14 of the investigation?

15 A. I recall checking all the sound recordings, including Hakan  
16 Atilla, that already reported the transit trade, and I've been  
17 checking these calls prior to the operation.

18 (Continued on next page)

19  
20  
21  
22  
23  
24  
25

HCD3ATI2

Korkmaz - Direct

1 Q. Were you able to keep a copy of that recording after the  
2 investigation was over?

3 A. No, I believe this was among those audio files that I could  
4 not obtain.

5 Q. What do you remember was the topic of that conversation?

6 A. I remember that it was related to this conversation. I  
7 recall that --

8 MR. HARRISON: Same objection to hearsay.

9 THE COURT: Overruled.

10 A. I recall in this conversation, the previous conversation,  
11 Mr. Hakan Atilla said let me talk to my colleagues and get back  
12 to you.

13 THE COURT: I'm sorry. In which conversation?

14 THE INTERPRETER: When he says "this" he's pointing at  
15 the one he has in front of him.

16 THE COURT: You mean what you just described a few  
17 minutes ago?

18 THE WITNESS: That is correct, your Honor.

19 THE COURT: So, start it again.

20 A. I recall that in the conversation that we discussed  
21 earlier, that Mr. Hakan Atilla had said I'm not familiar with  
22 this topic, let me talk with the colleagues and get back to  
23 you. And I recall this other conversation to be a callback  
24 from that call. I recall that they talked about a problem  
25 coming up, because of what Reza Zarrab's people had sent to

HCD3ATI2

Korkmaz - Direct

1 Halkbank on documents showed that origin of the goods was  
2 Dubai, and that this was not necessarily related to the  
3 shipment, but it was related to the origin being mentioned on  
4 the document.

5 Q. Can you remind us what were the goods?

6 A. Wheat.

7 Q. Mr. Korkmaz, do you remember a third call also on July 2nd  
8 of 2013 between Mr. Atilla and Mr. Aslan?

9 A. I can't recall exactly.

10 MR. LOCKARD: Your Honor, may I approach?

11 THE COURT: Yes.

12 Q. Mr. Korkmaz, I'm handing you what's been marked for  
13 identification as Government's Exhibit 118.

14 (Pause)

15 Q. Mr. Korkmaz, does that refresh your recollection as to a  
16 particular call on July 2nd of 2013 between Mr. Atilla and  
17 Mr. Aslan?

18 A. That is right.

19 Q. Is that a conversation that was intercepted in the course  
20 of your investigation?

21 A. That is right.

22 Q. Did you listen to the recording of that call during your  
23 investigation?

24 A. That is right. I had checked it prior to the operation.

25 Q. Were you able to keep a copy of that recording after the

HCD3ATI2

Korkmaz - Direct

1 investigation?

2 A. I understand that this was not among the section that I had  
3 obtained.

4 Q. So Mr. Korkmaz, if you could just put the document 118 to  
5 the side, I'll ask you a few questions about what you remember  
6 about that call.

7 What was the topic being discussed by Mr. Atilla and  
8 Mr. Aslan?

9 MR. HARRISON: Same objection, hearsay.

10 THE COURT: Overruled.

11 A. Mr. Hakan Atilla had said that he had talked to Mr. Reza  
12 Zarrab during that day, and there was this joke back and forth  
13 between the individuals in the call --

14 THE COURT: Between which individuals?

15 THE WITNESS: This is between Mr. Suleyman Aslan and  
16 Mr. Hakan Atilla.

17 A. They had joked about this conversation having been done  
18 with Jabbar.

19 MR. HARRISON: Objection to speculation, Judge.

20 THE COURT: Overruled.

21 A. So, what I'm saying is based on that reference, I have a  
22 specific recollection of this.

23 THE COURT: Based on the reference to Jabbar?

24 THE WITNESS: That is correct.

25 So I recall that they had said Jabbar, your Honor.

HCD3ATI2

Korkmaz - Direct

1 THE COURT: What does Jabbar mean?

2 THE WITNESS: Jabbar is a name, your Honor. This is a  
3 name that is used in our region, including the Arabic region.  
4 And it's a name that is understood as being used in jokes.

5 Q. What did Mr. Atilla tell to Mr. Aslan in this conversation  
6 about Mr. Atilla's conversation with Mr. Zarrab?

7 MR. HARRISON: Same objection, Judge.

8 THE COURT: Go ahead.

9 A. He mentioned that the impracticality of sending --

10 THE COURT: Who is "he."

11 THE WITNESS: Mr. Hakan Atilla.

12 A. Said that he had talked about the impracticality of using  
13 small vessels with the tonnage capacity of 5,000 to 10,000, in  
14 order to transport a load of 100 to 250,000 tons.

15 Suleyman Aslan asked whether bill of lading had been  
16 provided. And I recall Mr. Hakan saying that it had not been  
17 provided. I recall that Mr. Hakan Atilla mentioned that an  
18 inspection document had been requested.

19 I recall that there was a conversation in which  
20 Suleyman Aslan was asking whether the inspection document  
21 should come from a private company or a company affiliated with  
22 the government.

23 I recall that Mr. Hakan Atilla had mentioned that  
24 obtaining this document through a private company such as SGS  
25 would be better than obtaining it from a government agency.

HCD3ATI2

Korkmaz - Direct

1 And because he had also said that obtaining documentation from  
2 government agencies in Dubai is very easy.

3 And I recall that he also conveyed that he had heard  
4 from the other individual --

5 THE COURT: Who is "he?"

6 THE WITNESS: Your Honor, Mr. Hakan Atilla is talking  
7 to Suleyman Aslan about Reza Zarrab.

8 THE COURT: Okay.

9 THE WITNESS: And I recall him saying about --

10 THE COURT: You recall who saying?

11 THE WITNESS: Hakan Atilla, Mr. Hakan Atilla said  
12 this.

13 THE COURT: Said what?

14 A. What I recall Mr. Hakan Atilla saying is that he is also  
15 aware about the tonnage and the loading issue, but of course,  
16 to me, that's what I remember him saying.

17 Q. Mr. Korkmaz, you mentioned a discussion about an inspection  
18 report.

19 A. Yes.

20 Q. From your investigation, did you learn any evidence of  
21 whether Mr. Zarrab provided Halkbank with inspection reports?

22 MR. HARRISON: Objection, your Honor.

23 THE COURT: Overruled.

24 A. No.

25 Q. Let's turn to Government's Exhibit 261. This is a July 9,

HCD3ATI2

Korkmaz - Direct

1 2013 call between Mr. Zarrab and Mr. Atilla; is that right?

2 A. That is correct.

3 Q. So, we had looked at this call earlier, and the part of the  
4 discussion about the companies and whether they were registered  
5 for the food trade or the gold trade; do you remember that?

6 A. Yes.

7 MR. LOCKARD: If we can turn to page three of the  
8 transcript.

9 Q. Do Mr. Atilla and Mr. Zarrab also discuss bills of lading  
10 again?

11 A. That is correct.

12 Q. And looking at the sentence beginning "Now of course with  
13 regard to the vessels." What does Mr. Atilla tell Mr. Zarrab  
14 about the shipment of the purported goods?

15 A. What I understand is that the documents submitted to the  
16 bank involved large cargo ships with the tonnage capacity of  
17 50,000, 80,000, 90,000. I understand that it is also said that  
18 these are not the small ships that had been mentioned before.

19 Q. If we look on page four, at the bottom half of the  
20 transcript, what does Mr. Atilla say about the quantities that  
21 had been listed for the smaller ships?

22 A. He's saying that based on the smaller vessels as well, it  
23 appears that there were large loads being put on these small  
24 tonnage capacity vessels.

25 MR. HARRISON: Objection. Move to strike based on

HCD3ATI2

Korkmaz - Direct

1 speculation, your Honor.

2 THE COURT: Overruled. It's what it says right on the  
3 exhibit.

4 MR. HARRISON: Judge --

5 THE COURT: I'm not going to debate it with you, but I  
6 think you have to get more precise with your objections.

7 A. He says you should have this looked into, there are large  
8 loads being placed on small tonnages.

9 MR. LOCKARD: Mr. Chang-Frieden, if we can look just a  
10 couple lines up from this portion of the conversation.

11 Q. What did Mr. Atilla say about large ships and bills of  
12 lading?

13 A. Here's what he had said. There are some large vessels that  
14 are mentioned on the submitted documents. We had talked about  
15 this before, you were sending through small vessels and we were  
16 not requiring bills of lading. Because this was established  
17 based on previous conversations that bills of lading would not  
18 be required from the small vessels. So, now it's being said  
19 here, that aside from that plan, now there are larger vessels  
20 being utilized. And he's saying that I kindly request that the  
21 guys take a look at this situation with the bills of lading.

22 Q. Mr. Korkmaz, are you familiar with another call after this  
23 call on July 9 of 2013 between Mr. Zarrab and Mr. Hapmani?

24 A. I remember.

25 Q. Is that a call that was intercepted in the course of your



HCD3ATI2

Korkmaz - Direct

1 investigation?

2 A. That is correct.

3 Q. Is that a call that you listened to as part of the  
4 investigation?

5 A. That is correct.

6 Q. Is that a call that you were able to maintain a copy of  
7 after the investigation?

8 A. You mean of the audio?

9 Q. The audio, yes, sir.

10 A. So, on that date, they had more than one conversation. And  
11 I recall that there was a conversation regarding this topic,  
12 but I also recall that the audio recording of that call was not  
13 among the ones that I was able to obtain.

14 Q. What did Mr. Zarrab and Mr. Happani discuss in that call  
15 relating to the topic that we've just discussed in the Atilla  
16 call?

17 MR. HARRISON: Objection based on hearsay and  
18 speculation, your Honor.

19 THE COURT: Are you saying you remember the call but  
20 there is no audiotape? Do I understand that correctly?

21 THE WITNESS: That is correct, your Honor.

22 THE COURT: You remember what was said in the call?

23 THE WITNESS: I'm talking about the conversation  
24 that's related to this, your Honor, yes.

25 THE COURT: "This" what?

HCD3ATI2

Korkmaz - Direct

1 THE WITNESS: I'm referring to the callback that Reza  
2 Zarrab and Abdullah Happani had, based on the call that Reza  
3 Zarrab had with Hakan Atilla.

4 THE COURT: Got it. Okay. And you remember what was  
5 said in this call between Zarrab and Happani?

6 THE WITNESS: I remember what was mentioned in the  
7 call, but I don't remember 100 percent of the call. So I  
8 remember a summary of that call.

9 THE COURT: What do you remember?

10 THE WITNESS: Reza Zarrab had said this to Abdullah  
11 Happani, your Honor.

12 THE COURT: What do you mean by "this"?

13 THE INTERPRETER: He's getting to it, sir.

14 THE COURT: Oh.

15 THE WITNESS: What he told Mr. Happani was that --

16 THE COURT: Zarrab?

17 THE WITNESS: Zarrab had told Abdullah and warned him  
18 that the man had said don't stick it in our eyes, the larger  
19 tonnage ships are being utilized. And Abdullah first could not  
20 grasp why there was an issue with putting small loads on larger  
21 ships. And I recall that Reza says I had told them before that  
22 we cannot provide bills of lading because we're sending through  
23 small vessels. And I also recall him saying do not put large  
24 loads on small vessels. In fact, I remember something to the  
25 effect of the ship has sank, related to that. And I recall him

HCD3ATI2

Korkmaz - Direct

1 saying that the man says openly, clearly --

2 THE COURT: The man being?

3 THE WITNESS: Reza Zarrab here is referring to Hakan  
4 Atilla. But whether he says that in the call, I need to  
5 refresh my memory. If I can see the call here, I can tell  
6 whether they have used the name Hakan Atilla or not.

7 Q. Had Mr. Zarrab spoken to anybody else at Halkbank about  
8 bills of lading that day and about the size of small ships on  
9 that day?

10 MR. HARRISON: Objection to leading.

11 THE COURT: Overruled.

12 A. In a preceding call he had just talked to Mr. Hakan Atilla.

13 Q. Mr. Korkmaz, you had described during some of these  
14 conversations references to the size of the transaction.

15 A. That is correct.

16 Q. I think you described Mr. Zarrab characterizing it as a  
17 technical mistake that the amounts were so large.

18 A. That is correct.

19 MR. LOCKARD: Mr. Chang-Frieden, can you please show  
20 Mr. Korkmaz Government's Exhibit 1004.

21 Q. Mr. Korkmaz, do you recognize this document?

22 A. That is correct.

23 Q. How do you recognize it?

24 A. I know them to be the Viber conversations that were  
25 obtained from the seized phone of Reza Zarrab.

HCD3ATI2

Korkmaz - Direct

1 MR. LOCKARD: The government offers Exhibit 1004.

2 THE COURT: I'm going to allow it.

3 MR. HARRISON: Objection based on foundation, hearsay,  
4 authentication, your Honor.

5 (Government's Exhibit 1004 received in evidence)

6 MR. LOCKARD: If we can take a look at some entries at  
7 about time stamp 10:17:29 on the 7th of July, 2013. I'm sorry,  
8 the 10th of July, 2013. I believe we have 1004-T also in.

9 Q. Mr. Korkmaz, who is this Viber chat between?

10 A. It's between Mr. Reza Zarrab and Mr. Suleyman Aslan.

11 Q. This is one day after those July 9 conversations we just  
12 talked about; is that right?

13 A. That is correct.

14 Q. What did Mr. Zarrab say to Mr. Aslan in this chat?

15 A. He says that I have reduced the numbers --

16 THE COURT: Who is "he"?

17 THE WITNESS: Reza Zarrab.

18 A. Says that I have reduced the numbers I'm sending by  
19 dividing into pieces. But there is a spelling error there, but  
20 that's what he says.

21 Q. What did Mr. Aslan say in response?

22 A. He says "I noticed. It's better like that."

23 Q. Mr. Korkmaz, on this date, July 10 of 2013, did anything  
24 else happen in your investigation?

25 A. Yes.

HCD3ATI2

Korkmaz - Direct

1 Q. What was that?

2 A. A bribe was sent out to Suleyman Aslan.

3 Q. If we can pull up Government's Exhibit 971-55. Is this one  
4 of the payments that you described in your testimony on Monday?

5 A. That is correct.

6 Q. If we can go back to Exhibit 1004 and 1004-T.

7 Just before we leave, Mr. Korkmaz, you had described  
8 earlier issues relating to time stamps on video evidence.

9 A. That is correct.

10 Q. Do you recall from your investigation on what date this  
11 particular surveillance took place?

12 A. It was July 10, 2013.

13 Q. If we can look at Government's Exhibit 1004 and 1004-T at  
14 time stamp 17:47:02 and 17:48:46. What did Mr. Zarrab ask  
15 Mr. Aslan in the late afternoon of July 10?

16 A. So, I'll respond by saying that the UTC mentioned here,  
17 that's plus two or three. So the timing of this would be in  
18 the evening.

19 He's asking whether the guests had arrived.

20 Q. What did Mr. Aslan respond?

21 A. He says "Good evening, Mr. Reza, they came, thank you very  
22 much, greetings."

23 Q. In your investigation, have you become familiar with other  
24 times when Mr. Zarrab and Mr. Aslan talk about visitors or  
25 guests?

HCD3ATI2

Korkmaz - Direct

1 A. Yes.

2 Q. Have you been able to come to an understanding of what they  
3 mean by that?

4 A. Yes.

5 Q. What do they mean by that?

6 A. It refers to the couriers making the bribe deliveries to  
7 the homes.

8 Q. We just went through a number of calls and communications  
9 in early July of 2013 about Mr. Zarrab becoming involved in  
10 purportedly selling food using Iranian oil proceeds.

11 In the investigation -- sorry.

12 A. Yes.

13 Q. In your investigation, were there communications about the  
14 purpose of starting the food business in July 2013?

15 A. So, they had switched to transit food export method due to  
16 what I understand to be changes in the embargo rules on  
17 July 1st, and this was a change from the previous method of  
18 gold exports that they had been using.

19 MR. HARRISON: Objection. Move to strike.  
20 Speculation and opinion.

21 THE COURT: Overruled.

22 MR. LOCKARD: If we can look at Government's Exhibit  
23 1002-T on February 5, 2013.

24 Q. Is this a communication from Mr. Aslan to Mr. Zarrab that  
25 we had looked at earlier?

HCD3ATI2

Korkmaz - Direct

1 A. That is correct.

2 Q. Is this a reference to a change in the sanctions on  
3 February 6?

4 MR. HARRISON: Objection, your Honor. Calls for  
5 speculation.

6 THE COURT: Overruled.

7 A. That is correct.

8 Q. If we look down at an exchange on time stamp 21:05:52.

9 MR. LOCKARD: Just about four chats down.

10 Q. What does Mr. Aslan say that that change becomes effective?

11 A. It says it's not stopped right now, there is time until the  
12 beginning of July.

13 Q. And after July, what is the only option to channelize oil  
14 money?

15 A. It says we can only channelize into food and medication.

16 Q. Mr. Korkmaz, in your investigation, did you learn whether,  
17 despite this July deadline, gold in fact continued to be  
18 exported after July of 2013?

19 A. You're referring to gold trade?

20 Q. Yes.

21 A. They had restarted the gold trade. Gold export, excuse me.

22 Q. In your investigation, did you develop evidence about why  
23 the gold trade was restarted after July 2013?

24 A. Correct.

25 Q. Let's turn back to Government's Exhibit 1004-T.

HCD3ATI2

Korkmaz - Direct

1 MR. LOCKARD: If we can go to September 12 of 2013 at  
2 time stamp 15:40:26.

3 Q. Mr. Korkmaz, what is it that Mr. Aslan tells to Mr. Zarrab  
4 in September 12 of 2013?

5 A. Exports are being wanted, Mr. Reza. They're saying that  
6 some money should be allowed to come in so that some funds  
7 could be created. We should come together.

8 Q. Do you have an understanding of who Mr. Aslan is referring  
9 to when he says "exports are being wanted"?

10 A. I understand who is being referenced here, but in the  
11 Turkish section that I'm being shown here that is not shown.  
12 In the latter part of this conversation I know that it's  
13 mentioned.

14 Q. Are we in that portion of the conversation now on the  
15 screen in front of you?

16 A. That is correct.

17 Q. What does Mr. Aslan say about that?

18 A. It says yes, no problems, it went very well, we spoke with  
19 Mr. ZC. We have to meet. When are you coming back.

20 And what he's saying here is that he didn't just speak  
21 to Mr. ZC, but that he had spoken together with Mr. ZC.

22 Q. Based on other evidence in the investigation, did you learn  
23 who the others were at that meeting?

24 A. Yes.

25 Q. What types of evidence is that understanding based on?



HCD3ATI2

Korkmaz - Direct

1 A. Phone conversations.

2 Q. Who else was at that meeting?

3 A. Prime minister.

4 Q. In your testimony on Monday, you had described a meeting  
5 that Mr. Zarrab had with Mr. Caglayan in mid July of 2013. Do  
6 you remember that?

7 A. Yes.

8 Q. Was that meeting between Mr. Zarrab and Mr. Caglayan, was  
9 that recorded?

10 A. The content of the meeting was not recorded.

11 Q. Do you know where that meeting took place?

12 A. Yes.

13 Q. Where was it held?

14 A. It was on the plane of Reza Zarrab.

15 Q. Did you learn what happened after that meeting in mid July,  
16 2013?

17 A. Yes.

18 Q. Were any payments made after that meeting?

19 A. Yes.

20 Q. What payments were made?

21 MR. HARRISON: Objection. There is no foundation for  
22 how he knows.

23 THE COURT: Overruled.

24 A. There were payments in the amounts of 2 million and 1  
25 million made to Turgev.

HCD3ATI2

Korkmaz - Direct

1 MR. LOCKARD: If we can pull up Government's Exhibit  
2 970-14.

3 Q. Is this the surveillance of one of those payments that you  
4 testified about on Monday?

5 A. That is correct.

6 Q. After that meeting between Mr. Zarrab and Mr. Caglayan,  
7 were there any discussions about gold exports?

8 A. Yes.

9 Q. Who did Mr. Zarrab have those discussions with?

10 A. With Abdullah Hapmani.

11 Q. Mr. Korkmaz, are you familiar with a conversation between  
12 Mr. Zarrab and Mr. Hapmani on July 14 of 2013?

13 A. Not 100 percent, but there are parts that I remember in  
14 summary.

15 Q. Is that a recording that was intercepted in the course of  
16 your investigation?

17 A. Yes.

18 Q. Is that a recording that you listened to in the course of  
19 your investigation?

20 A. Yes, I had checked this one also prior to the operation.

21 Q. Is that a recording that you were able to keep a copy of  
22 after the investigation?

23 A. No, I understand that was not among the ones that I was  
24 able to obtain.

25 Q. What do you remember about that phone call between

HCD3ATI2

Korkmaz - Direct

1 Mr. Happani and Mr. Zarrab on July 14?

2 MR. HARRISON: Objection. Hearsay, your Honor.

3 THE COURT: Overruled.

4 A. He had given the instruction to find a formula in order to  
5 increase the gold exports.

6 THE COURT: Who "he"?

7 THE WITNESS: Reza Zarrab had given this instruction  
8 to Abdullah Happani, your Honor.

9 Q. Let's turn back to, turn back again to September of 2013.  
10 I'd like to direct your attention to Government's Exhibit 268.  
11 Who are the participants in this September 16, 2013, phone  
12 call?

13 A. It was Reza Zarrab and Suleyman Aslan.

14 MR. LOCKARD: If we can turn to page two.

15 Q. Towards the bottom of this page, Mr. Aslan references a  
16 meeting.

17 A. Yes.

18 Q. Do you recall in his September 12 Viber chat Mr. Aslan had  
19 also referred to a meeting that he had with Mr. Caglayan and  
20 the prime minister?

21 A. Yes.

22 Q. What does Mr. Aslan say was requested at that meeting?

23 A. That the request was made for doing exports.

24 Q. When Mr. Aslan says last year they exported 11 million  
25 dollars in gold --

HCD3ATI2

Korkmaz - Direct

1 THE COURT: It says 11 billion on mine.

2 MR. LOCKARD: I thought I said billion.

3 THE COURT: Maybe I misheard.

4 Q. 11 billion dollars in gold.

5 A. Yes.

6 Q. What does Mr. Zarrab respond?

7 A. In response to what is mentioned as exports of 11 billion  
8 dollars had been made previously, he says that "They're asking  
9 for the same to be done again, aren't they."

10 MR. LOCKARD: If we can turn to the next page.

11 Q. What does Mr. Aslan say?

12 A. He says, "Um, I mean, they're saying do something, whatever  
13 the method is, but help us out, take care of this job, you  
14 know. I said it would not be through Iran, but we will find a  
15 way. Don't you worry. And he said if you can find a way, do  
16 it."

17 Q. In your investigation, did you learn how the gold exports  
18 were paid for when they started up again after July of 2013?

19 A. There was planning on two separate methods. One of them  
20 was transit trade, and during that time period they were  
21 already doing transit trade. And they planned to use the money  
22 that would be sent to Dubai through transit trade in the gold  
23 trade.

24 Q. What do you mean by that?

25 A. During that period, money was being sent from Halkbank

HCD3ATI2

Korkmaz - Direct

1 under the guise of fake food transit trade to a company called  
2 Atlantis that was located in Dubai. And they had planned to  
3 use this money to get gold out of Turkey in terms of doing gold  
4 exports.

5 MR. HARRISON: Objection. Speculation.

6 THE COURT: Overruled.

7 Q. What types of evidence is your understanding based on about  
8 how that process worked?

9 A. Phone conversations from that -- phone conversations from  
10 that time period, and then I looked at the evidence that was  
11 seized during the operation, I also understood that this had  
12 happened.

13 Q. Does that evidence include financial records?

14 A. You mean financial documents?

15 Q. Yes, sir.

16 A. Yes.

17 Q. Does it include shipping and other transaction records as  
18 well?

19 THE INTERPRETER: Could you repeat that, please.

20 Q. Does it also include shipping and other transactional  
21 records?

22 A. That is correct.

23 Q. So if I understand, the Iranian oil money would go to Dubai  
24 through the fake food trade first; is that correct?

25 A. That is correct, that is through Halkbank.

HCD3ATI2

Korkmaz - Direct

1 Q. Then would come back into Turkey to buy gold?

2 A. That is correct.

3 MR. HARRISON: Objection to speculation and hearsay.

4 THE COURT: Overruled.

5 Q. What would happen to that gold that had been purchased from  
6 the Iranian money coming back into Turkey?

7 MR. HARRISON: Same objection.

8 A. There was instruction given from Reza Zarrab to Abdullah  
9 Happani about this gold to sell off as much as possible. And  
10 there was also cikonova gold happening during that time as  
11 well.

12 Q. Sell it off where?

13 A. In Dubai.

14 THE COURT: We'll take a five-minute break.

15 (Jury excused)

16 (Continued on next page)

HCDPATI3

Korkmaz - Direct

1 THE COURT: Mr. Lockard, how far along are you?

2 MR. LOCKARD: We're making good progress, your Honor.

3 THE COURT: I know. Specifically, how far along?

4 MR. LOCKARD: Specifically, I think we have less than  
5 an hour.

6 THE COURT: Okay.

7 THE DEPUTY CLERK: You're welcome to step down, if you  
8 need a few minutes.

9 THE WITNESS: Thank you.

10 (Recess)

11 (Jury present)

12 THE COURT: Please be seated, everybody.

13 THE DEPUTY CLERK: Again, sir, I'd like to remind you  
14 that you're still under oath.

15 THE WITNESS: Yes.

16 BY MR. LOCKARD:

17 Q. So, Mr. Korkmaz, I'd like us to turn back to the  
18 September 16th, 2013, call between Mr. Zarrab and Mr. Aslan.  
19 This is the phone call that we talked about a few minutes ago,  
20 where Mr. Aslan describes his meeting with Mr. Caglayan and the  
21 prime minister.

22 If we can turn to page 3 of the transcript, and down  
23 towards the bottom third of the page, Mr. Aslan describes some  
24 international transit companies. Could you please read for us  
25 what it is that Mr. Aslan says?

HCDPATI3

Korkmaz - Direct

1 A. It says: "Also, of course, there are these, umm, I mean,  
2 Mr. Reza the amounts have started to go up. You know those  
3 international transit companies. Those -- those Cargill's and  
4 Bunge's and so on."

5 Q. And from your investigation, do you have an understanding  
6 of what Mr. Aslan is referring to?

7 A. That is correct, yes.

8 Q. And what is it that Mr. Aslan is talking about when he  
9 says: "Those international transit companies, their numbers  
10 have gone up"?

11 MR. HARRISON: Objection, calls for speculation.

12 THE COURT: Overruled.

13 A. So it's understood that some international companies were  
14 using the transit trade that is also used by Reza Zarrab as  
15 fake transit trade.

16 THE COURT: I don't understand.

17 THE INTERPRETER: Would you like me to repeat or ask?

18 THE COURT: If you could explain it.

19 THE WITNESS: So, your Honor, Reza Zarrab was not the  
20 only one that was doing this type of trade at Halkbank.

21 THE COURT: Okay.

22 THE WITNESS: So these Iranian funds that were at  
23 Halkbank were also being utilized by other traders in their  
24 trade as well.

25 THE COURT: And the other traders are?



HCDPATI3

Korkmaz - Direct

1 THE WITNESS: And here, they're counting Cargill and  
2 Bunge.

3 THE COURT: And are those companies, Cargill and  
4 Bunge, said to be doing actual trades?

5 THE WITNESS: So I know through open source  
6 information that these are large companies, but I did not look  
7 into their transactions.

8 BY MR. LOCKARD:

9 Q. And how were those transactions paid for? What was the  
10 source of funds?

11 A. It's the same funds that Reza Zarrab was also using.

12 MR. HARRISON: Judge, objection, move to strike.  
13 Maybe I misunderstood, but I thought he just said he didn't  
14 look into those other companies.

15 THE COURT: Overruled. I think you misunderstood.

16 Q. Let's look at what Mr. Aslan says. Well, first, what does  
17 Mr. Zarrab say after Aslan describes the numbers going up for  
18 Cargill and Bunge?

19 A. "Reduce those."

20 Q. And what does Mr. Aslan say?

21 A. It says: "They have their things. As for the method, need  
22 to reduce -- we can certainly reduce, and we will, but how do  
23 we do that, as a method or through pricing? When it is done  
24 that way, these guys shift things completely to."

25 Q. And how does he continue?

HCDPATI3

Korkmaz - Direct

1 A. Zarrab repeats that a reduction should be made. Then Aslan  
2 says: "And then they shift things to Dubai, and then they  
3 don't get out of there at all."

4 Then Zarrab says: "Let's get together and talk in  
5 person. Let's come up with a formula."

6 And then Aslan says: "Let's talk about these in  
7 detail. Okay?"

8 Q. And then what does Mr. Zarrab say next about why they  
9 should reduce Cargill and Bunge?

10 A. He says: "Of course, let's reduce that because that has no  
11 benefit. It's hurting us too. It's undermining us."

12 Q. If we could turn back to Government's Exhibit 1004-T, the  
13 Viber chats between Mr. Aslan and Mr. Zarrab, and in  
14 particular, an exchange on September 27th of 2013.

15 What did Mr. Aslan tell Mr. Zarrab on September 27th?

16 A. Who to whom? Is it Aslan to Zarrab?

17 Q. What did Mr. Aslan tell Mr. Zarrab on September 27th of  
18 2013?

19 A. Aslan says to Zarrab: "We had already notified the related  
20 companies that we will not let transit trade to be done by  
21 companies that are not resident in Turkey. And we had  
22 indicated that the last day would be October 14th. And the  
23 Iranians were very upset. They are making the applications at  
24 every level and indicating that this is a legitimate trade and  
25 should be continuing for humanitarian reasons."

HCDPATI3

Korkmaz - Direct

1 Q. And if we can scroll down to Mr. Zarrab's response.

2 Actually, let's finish Mr. Aslan's comments. What does  
3 Mr. Aslan continue to say here?

4 A. He says that: "We will stand erect. And we will emphasize  
5 that we are a commercial bank, and we will not take a step  
6 back, for your information."

7 Q. And let's continue. So Mr. Aslan then refers to an  
8 official letter from Bank Markazi addressed to Mr. Aslan. What  
9 is Bank Markazi?

10 A. I understand that to be the Central Bank of Iran, sir.

11 Q. And what does Mr. Zarrab respond?

12 A. It says, it was evident that they will get upset. I  
13 explained in every level this transaction would not benefit our  
14 country and they agreed with me. Further, I indicated that if  
15 we don't apply this restriction, we will never reach the goal  
16 that had been placed. I explained to the gentleman that in  
17 order to reach the goal, that this was the way to reach that  
18 goal. Not only that, but furthermore, all other countries, the  
19 neighboring country that does business with apply the same  
20 restriction.

21 And it continues after that by saying, please keep  
22 your heart content in this matter. Transactions with  
23 humanitarian basis will never be let down. I can guarantee  
24 that to you.

25 Q. When Mr. Zarrab refers to the neighboring country, is that

HCDPATI3

Korkmaz - Direct

1 a reference that you've seen elsewhere in your investigation?

2 A. Yes, it is mentioned in general.

3 Q. And what is that a reference to?

4 A. It's a term that is used for Iran.

5 Q. There's also some discussions of the goal, the goal that  
6 was placed?

7 A. Yes.

8 Q. Was there also discussion of some goals in the  
9 September 16th phone call between Mr. Aslan and Mr. Zarrab?

10 A. That is correct.

11 Q. And what goals were those?

12 A. That gold exports for last year amounted to \$11 billion,  
13 and that same amount was being requested.

14 Q. Now, Mr. Korkmaz, yesterday we had discussed some of the  
15 evidence that had been obtained from the searches that were  
16 conducted on December 17th of 2017 -- 2013, I'm sorry.

17 A. Yes.

18 MR. LOCKARD: Sorry. Just one moment, your Honor.

19 (Pause)

20 May I approach?

21 THE COURT: Yes.

22 MR. LOCKARD: I'm handing Mr. Korkmaz what's been  
23 marked for identification as Government's Exhibit 2000-1.

24 BY MR. LOCKARD:

25 Q. Mr. Korkmaz, do you recognize that disk?

HCDPATI3

Korkmaz - Direct

1 A. Yes.

2 Q. For the benefit of the record, that is a disk that contains  
3 electronic copies of Government's Exhibits 2006 through 2054.

4 Mr. Korkmaz, did you have an opportunity to review the  
5 contents of that disk before your testimony today?

6 A. Yes.

7 Q. And are you familiar with their contents?

8 A. That is correct.

9 Q. And what do you recognize those exhibits to consist of?

10 A. I understand it -- the content involves additional evidence  
11 that had been obtained from Mr. Suleyman Aslan.

12 Q. And during the search of Mr. Aslan's office, were e-mail  
13 archive files obtained?

14 A. That is correct.

15 Q. And are those e-mails from one of those e-mail archives?

16 A. That is correct.

17 Q. And what was the name of that archive file?

18 A. S. Aslan 2012.

19 MR. LOCKARD: The government offers Exhibits 2006  
20 through 2054.

21 MR. HARRISON: Judge, the same objection as yesterday.  
22 I can make my record, if you don't mind.

23 THE COURT: Yes.

24 MR. HARRISON: Based on relevance, lack of foundation,  
25 chain of custody, authentication, hearsay, rule 403 and subject

HCDPATI3

Korkmaz - Direct

1 to connection.

2 THE COURT: Okay. Overruled except for subject to  
3 connection.

4 (Government's Exhibits 2006 through 2054 received in  
5 evidence)

6 BY MR. LOCKARD:

7 Q. Mr. Chang-Frieden, could you please pull up Government's  
8 Exhibit 2051.

9 All right. Mr. Korkmaz, do you recognize who is the  
10 sender on this e-mail?

11 A. It's understood here as it was Mr. Mehmet Hakan Atilla.

12 Q. And who is the recipient?

13 A. It's understood to be Suleyman Aslan.

14 Q. And what is the date?

15 A. If I were to read this in the dates used in Turkey, it  
16 would read as the 9th of March, 2012. And since it says p.m.  
17 here, it is also possible that this was not written in the  
18 Turkish format; so it may also be September 3rd.

19 Q. In the Turkish format, how would 1:22 in the afternoon, how  
20 would that appear? Sorry.

21 A. It would say 1312.

22 Q. And if we could just scroll down a little bit. This is in  
23 English, so I won't ask you very many questions about it. But  
24 in general, what are the topics that are described in this  
25 e-mail?

HCDPATI3

Korkmaz - Direct

1 A. You're asking me this question?

2 Q. That's fine. That's fine.

3 A. I apologize. It says: My dear general manager, I have  
4 explained the current circumstance with its topics below, as  
5 you can see.

6 THE COURT: Up at the top, where it says "subject,"  
7 what does that mean in English?

8 THE WITNESS: Information note.

9 BY MR. LOCKARD:

10 Q. Let's turn to some other exhibits that are entered in  
11 evidence. Government's Exhibit 721. Actually, let's turn to  
12 Government's Exhibit 827 and the corresponding 827-T.

13 Mr. Korkmaz, do you recognize where this was obtained  
14 from?

15 A. Yes.

16 Q. And where was it obtained from?

17 A. It was among the documents that were seized at Suleyman  
18 Aslan's residence.

19 Q. And what is the underlined header at the top?

20 A. There is an addressing of the person as "My dear general  
21 manager," and underneath that it says, the standard steps for  
22 transit food trade.

23 Q. And what is the underlined header towards the middle of the  
24 page?

25 A. It says: "Royal group's transit food trade operation

HCDPATI3

Korkmaz - Direct

1 steps."

2 Q. And if we look under point No. 2 in the top, under  
3 "standard steps of transit food trade" --

4 A. Yes.

5 Q. -- describing the documents being requested from the bank's  
6 customer?

7 A. That is correct.

8 Q. What are the second and third documents labeled B and C?

9 A. It says the bill of lading showing that the goods have been  
10 transported to Iran and certified by the Turkish consulate.

11 And as C, it says: "Bill of lading showing that the  
12 goods were under observation at the loading port, certified by  
13 the Turkish consulate."

14 Q. Are those documents described in the Royal group transit  
15 food trade operation steps?

16 A. No.

17 Q. And, again, turning to the steps of the standard transit  
18 food trade, what are steps No. 3 and 4?

19 A. Three says: "Once the documents are reviewed and found to  
20 be acceptable, the funds received can be credited to the  
21 customer's account."

22 And four says: "When our customer wishes to transfer  
23 the funds to the supplier that's out of the country, the  
24 transfer will take place through the correspondent banks that  
25 our directorate will determine."



HCDPATI3

Korkmaz - Direct

1 Q. And what is step No. 3 in the Royal group's transit food  
2 trade?

3 A. "The documents our customer presented are reviewed  
4 concurrently. The credit of the funds into the customer's  
5 account, as well as the transfer to the supplier out of the  
6 country, is approved.

7 Q. Does step No. 3 under the Royal group's transit food trade  
8 include the requirement that the documents be reviewed and  
9 found to be acceptable before the funds are received and  
10 credited?

11 A. I did not understand this very well.

12 Q. So Item No. 3, under standard steps, says that once the  
13 documents are reviewed and found to be acceptable, the funds  
14 received can be credited?

15 A. Correct.

16 Q. Does Item No. 3 under Royal group describe finding the  
17 documents acceptable before the funds can be credited?

18 A. That is correct.

19 Q. Let's turn to Government's Exhibit 745, which is already in  
20 evidence. Mr. Korkmaz, do you know where this was found?

21 A. Yes.

22 Q. And where was it found?

23 A. It was seized during the search that was conducted at  
24 Suleyman Aslan's office.

25 Q. And do you see on the left-hand side, in the bottom third,

HCDPATI3

Korkmaz - Direct

1 there's a box around the word Royal?

2 A. Yes.

3 Q. Who owns the Royal companies?

4 A. Reza Zarrab.

5 Q. Let's look at Government's Exhibit 753, which is in  
6 evidence, and where was this document found?

7 A. I recall this to be one that was found at Suleyman Aslan's  
8 office.

9 Q. Now, this document, as well as several others we've looked  
10 at, appear to have two sets of initials handwritten on the  
11 paper?

12 A. Yes.

13 Q. What is the significance of those two sets of initials?

14 A. During the searches, our teams would have witnesses  
15 present, and in order to ensure the secure documentation of the  
16 evidence that is being seized, there are teams that will have  
17 the witnesses initial these documents.

18 Q. And then the handwritten number, circled, that says 56?

19 A. That's right.

20 Q. Is that also part of the search procedure?

21 A. That is correct. The stacks of documents get enumerated.

22 Q. And are the initials and numbering some of the things that  
23 help you to recognize these as evidence obtained from a search?

24 A. Yes.

25 Q. Let's turn to Government's Exhibit 811. Mr. Korkmaz, do

HCDPATI3

Korkmaz - Direct

1 you recognize where this was obtained from?

2 A. Yes.

3 Q. And from where was it obtained?

4 A. In the residence of Suleyman Aslan.

5 Q. And can you read the title of this document?

6 A. It says: Information note, transactions that are related  
7 to Iran prior to February 6th, 2013, and after February 6th,  
8 2013.

9 Q. Can we turn now to Government's Exhibit 815. So where was  
10 this document obtained from?

11 A. This was also seized during the search that was conducted  
12 at Suleyman Aslan's residence.

13 Q. And can you tell us what the title of the paragraph 254 is?

14 A. What is contained in TRA's section 504.

15 Q. And if we could page ahead to Exhibit 818 and 818-T. Where  
16 was Exhibit 818 obtained from?

17 A. Residence of Suleyman Aslan.

18 Q. Let's go now to Government's Exhibit 748. And I believe we  
19 looked at this during your testimony yesterday?

20 A. Yes.

21 Q. And where was this obtained from?

22 A. From the office of Suleyman Aslan.

23 Q. And can you remind us the date of this e-mail from  
24 Mr. Atilla to Mr. Aslan?

25 A. It's December 21st, 2012.

HCDPATI3

Korkmaz - Direct

1 Q. And the subject matter of the e-mail?

2 A. The response text that is on hold right now in response to  
3 the meeting that had been held with the embassy.

4 Q. Can we turn also to Government's Exhibit 746. Where was  
5 this document obtained from?

6 A. From the office of Suleyman Aslan.

7 Q. And what is the date of this e-mail?

8 A. December 21st, 2012.

9 Q. And what is the subject line?

10 A. Template letter -- or letter template.

11 THE INTERPRETER: Sorry.

12 Q. And can we look at Government's Exhibit 749. Where was  
13 this document obtained from?

14 A. From the office of Suleyman Aslan.

15 Q. And what is the date on this e-mail?

16 A. January 15th, 2013.

17 Q. And who is it from?

18 A. From Mr. Mehmet Hakan Atilla.

19 Q. And who was it to?

20 A. Suleyman Aslan.

21 Q. Can we also pull up Government's Exhibit 749-T.

22 Mr. Korkmaz, what is the header of the first section of this  
23 e-mail?

24 A. It says that, by our bank, as of -- effective as of  
25 July 1st, 2013, the following is banned.

HCDPATI3

Korkmaz - Direct

1 Q. And what are numbers one and two?

2 A. One says, mediating precious metal trade, purchase or  
3 sales, with Iran.

4 It says, including NIOC, NITC and IRISL mediating  
5 trade of goods and services related to Iran's energy, sea  
6 freight and ship building sector.

7 Q. And in the exceptions that are described, what is the first  
8 listed exception?

9 A. The trade of medicine, food, medical equipment and  
10 agricultural products.

11 MR. LOCKARD: So, your Honor, this may be a good time  
12 for the lunch break, if you're so inclined.

13 THE COURT: I'd like to go and finish it up.

14 MR. LOCKARD: Certainly. May I approach?

15 THE COURT: Yes.

16 MR. LOCKARD: Handing Mr. Korkmaz what has been  
17 identified as Government's Exhibit 8051 and 8054.

18 BY MR. LOCKARD:

19 Q. Mr. Korkmaz, do you recognize Government's Exhibit 8051 and  
20 8054?

21 A. Yes.

22 Q. And are those Excel spreadsheets?

23 A. That is correct.

24 Q. And who prepared those?

25 A. I did.

HCDPATI3

Korkmaz - Direct

1 Q. And generally speaking, what is contained in Government's  
2 Exhibit 8051?

3 A. It covers the topic of gold exports.

4 Q. And on what materials is Government's Exhibit 8051 based?

5 A. I used phone conversations while I was preparing this Excel  
6 spreadsheet, and I have also used digital evidence. I also  
7 used expert reports that were in digital format, and I've used  
8 documents that were seized.

9 THE COURT: And when did you prepare that?

10 THE WITNESS: I prepared it while in the United  
11 States, your Honor.

12 THE COURT: When?

13 THE INTERPRETER: I prepared it while I was in the  
14 United States.

15 THE COURT: No, I understand. I asked when.

16 THE WITNESS: So I can say it this way, your Honor. I  
17 started working on this and gradually I kept working on it. As  
18 I recall, I had completed it in the 10th month, October.

19 THE COURT: Of this year?

20 THE WITNESS: That is correct.

21 THE COURT: Okay.

22 BY MR. LOCKARD:

23 Q. And are the materials that you described, the telephone  
24 intercepts, the digital evidence, the search evidence and the  
25 expert reports, are all those materials that were obtained in

HCDPATI3

Korkmaz - Direct

1 the course of your investigation?

2 A. That is correct.

3 Q. And generally speaking, what is itemized in the  
4 Government's Exhibit 8051?

5 A. So I compared the evidence that I had with regards to the  
6 gold exports that Reza Zarrab had done through his gold export  
7 system.

8 Q. And for each gold export, did you list the evidence  
9 relating to that export?

10 A. Yes.

11 Q. And what is the time period of exports that is covered in  
12 Government's Exhibit 8051?

13 A. So I started from the beginning of our investigation.  
14 Because of that, the listing starts from September 19th of  
15 2012, and I listed all those that I could find up until the  
16 date of December 17th, 2013.

17 Q. And what is the date of the last export listed in your  
18 spreadsheet?

19 A. December 10th, 2013.

20 Q. And have you calculated the volume of gold that was  
21 exported after July 1st, 2013?

22 A. I had added them together roughly. It was between  
23 approximately nine and 10,000 tons -- I'm sorry. It was said  
24 as kilograms first. So 9,000 kilograms or approximately nine  
25 to ten tons.

HCDPATI3

Korkmaz - Direct

1 Q. And from your investigation, were you familiar with the  
2 approximate price of gold during that timeframe?

3 A. As of the beginning of 2013, I remember the price of gold  
4 per ton to be approximately 45 to \$50 million.

5 Q. And if there were additional gold exports after  
6 December 17th, 2013, would your investigation have identified  
7 those?

8 MR. HARRISON: Objection, calls for speculation.

9 A. You mean after December 17th?

10 Q. Yes, sir.

11 A. First of all, yes, if I had not been removed from my duty  
12 and, second, the evidence that we have here covers only up  
13 until that date.

14 Q. So let's turn now to Exhibit 8054.

15 THE COURT: Mr. Lockard, is this in the nature of what  
16 we call a summary chart?

17 MR. LOCKARD: It is, your Honor.

18 Q. So, Mr. Korkmaz, you also prepared 8054; is that right?

19 A. Yes.

20 Q. And what types of materials is 8054 based on?

21 A. Again, I took samples from the phone conversations. I also  
22 used digital evidence. I also utilized evidence that had been  
23 seized during searches. In general, it was digital evidence.

24 Q. And is that all evidence that was gathered in the course of  
25 your investigation?



HCDPATI3

Korkmaz - Direct

1 A. That is correct.

2 Q. And what is itemized in the spreadsheet Government's  
3 Exhibit 8054?

4 A. It contains the transactions that Reza Zarrab had conducted  
5 as transit trade through Halkbank.

6 Q. And does your spreadsheet identify the evidence that you  
7 had found related to each purported transit trade transaction?

8 A. That is correct.

9 Q. And does it identify both transactions that you believe  
10 were completed and those you believe were not completed?

11 A. That is correct.

12 Q. And, Mr. Korkmaz, have you tabulated the total amount of  
13 monies transferred as part of the fake food transactions  
14 identified in this exhibit?

15 A. Yes, I have calculated.

16 Q. And what is that calculation?

17 A. In total, it is over 700 million Euros and over 900 million  
18 Turkish Liras.

19 Q. And, Mr. Korkmaz, would you have been able to identify any  
20 fake food transactions after December 17th, 2013?

21 MR. HARRISON: Objection.

22 THE COURT: Sorry.

23 MR. HARRISON: Objection, speculation, your Honor.

24 THE COURT: You really think that?

25 MR. HARRISON: I do, Judge.

HCDPATI3

Korkmaz - Direct

1 THE COURT: That's when he was checking on the  
2 bridges, you know?

3 MR. HARRISON: But I think the question was --

4 THE COURT: So the question is, did he think he could  
5 do any more investigation at that point?

6 Q. Were you able to identify --

7 THE COURT: And you're saying that's speculation?

8 MR. HARRISON: If he could have found out about more  
9 transactions? I believe so, Judge, yes.

10 THE COURT: Okay. Overruled.

11 BY MR. LOCKARD:

12 Q. Mr. Korkmaz, where were you assigned on December 25th,  
13 2013?

14 A. I had been assigned to the bridge.

15 MR. LOCKARD: Just one moment, your Honor.

16 No further questions.

17 THE COURT: Okay. So we'll take a lunch break. It's  
18 just a couple minutes before 1:00. Let's start up again at  
19 2:00.

20 (Jury not present)

21 THE COURT: So at 2:00 do we have the banking person?

22 MR. LOCKARD: Yes, your Honor.

23 THE COURT: Okay, great. See you then.

24 MS. FLEMING: Your Honor?

25 THE COURT: Yes.

HCDPATI3

Korkmaz - Direct

1 MS. FLEMING: We are about to electronically file what  
2 we have prepared and hand up the brief, and to give to the  
3 government a written submission based on the first two days of  
4 Mr. Korkmaz, a motion for mistrial.

5 THE COURT: I don't know what you're talking about.

6 MS. FLEMING: At sidebar, we discussed that we would  
7 give you a written submission based on the first two days of  
8 testimony on the motion for a mistrial. We are about to file  
9 based on the first two days. We, obviously -- we said we would  
10 provide it at the end of direct; so we couldn't do today's.

11 THE COURT: Well, I'm not having two. So if you have  
12 a basis, you tell me when you want to make it. That's the only  
13 document I'm going to look at. So I'm not talking about  
14 supplements and, you know, addenda. If this document is what  
15 you want to rely on, that's your business.

16 MS. FLEMING: I'll hand this up, your Honor.

17 THE COURT: And you are going to respond to that  
18 document?

19 MR. KAMARAJU: Yes, your Honor.

20 MR. LOCKARD: We will, your Honor.

21 THE COURT: Okay. Great. See you at 2:00.

22 (Luncheon recess)  
23  
24  
25

HCD3ATI4

## AFTERNOON SESSION

2:00 p.m.

(At the sidebar)

THE COURT: So, one of the jurors, who is actually the last alternate, said to Christine that he's developed a terrible back problem, and I don't really know what to do. I got a bad back too.

MR. HARRISON: That's what I was going to say.

THE COURT: But I don't think we should offer him solutions or relief or that sort of stuff. Subject to your okay, I would like to ask him if he wants to be excused. He's in terrible pain.

MS. FLEMING: Do you think he's told other people? Are we going to have a rash of bad backs?

THE COURT: Oh. I imagine -- I didn't see it, but I think everybody back there knows about it now. What are you going to do.

MS. FLEMING: If it is the last juror, I think we have enough alternates.

THE COURT: It's all in your hands. Joking aside, what else are we going to say?

MR. ROCCO: I would offer him -- I would give him his choice.

THE COURT: I mean, yes. I'm not saying you should go home, but I'm saying I would like that to be an option. If it

HCD3ATI4

1 is really that painful I won't force, I would rather not say --

2 MR. ROCCO: I would rather not force him either.

3 THE COURT: That's what I mean. So, I'm looking for  
4 authority to tell Christine that we can say, listen, if it is  
5 so bad, you have the option to go without feeling bad. Not  
6 going to make him --

7 MR. ROCCO: You okay with that?

8 MR. HARRISON: I'm fine with that.

9 MR. LOCKARD: That's fine.

10 THE COURT: All right.

11 (Pause)

12 THE COURT: He's going to be here. Counsel, he's  
13 going to be here.

14 (Continued on next page)

HCD3ATI4

1 (Jury present)

2 THE COURT: Please be seated. We'll have the next  
3 government witness.

4 MR. SOVOLOS: Good afternoon, your Honor. We have  
5 three stipulations to read into the record before calling our  
6 witness.

7 THE COURT: Okay. So, I may have said it earlier, but  
8 a stipulation is something that both sides agree to. It is not  
9 in dispute. And the practice is that the government wants to  
10 include it as part of its case, and so they will read the  
11 stipulation to you and into the record at the same time.

12 MR. SOVOLOS: Thank you, Judge.

13 In the matter of United States of America v. Mehmet  
14 Hakan Atilla, defendant, Docket No. S4 15 CR 867, it is hereby  
15 stipulated and agreed by and between the United States of  
16 America, by Joon H. Kim, Acting United States Attorney,  
17 Assistant United States Attorneys Michael D. Lockard, Sidhardha  
18 Kamaraju, David W. Denton, Jr., and Dean C. Sovolos, Special  
19 Assistant United States Attorney, of counsel, and Mehmet Hakan  
20 Atilla, defendant, by his counsel Victor Rocco and Cathy  
21 Fleming that:

22 If called as a witness, a representative of the  
23 Federal Deposit Insurance Corporation would testify that,  
24 during the time period between 2010 and '15, HSBC Bank U.S.A.,  
25 Deutsche Bank Trust Company Americas, UBS Bank U.S.A., BNY

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1 Mellon, Citibank, JPMorgan Chase, Bank of America, and Wells  
2 Fargo Bank, were all banks the deposits of which were insured  
3 by the FDIC.

4 It is further stipulated and agreed that this  
5 stipulation, which is Government Exhibit 9701, may be received  
6 into evidence at trial, subject to the defendant's objections  
7 based on relevance and connection.

8 Dated New York, New York December 13, 2017.

9 THE COURT: So that, by the way, is called a  
10 stipulation of testimony. Because it started by saying that if  
11 a person were called as a witness, this is what they would say.  
12 There's also stipulations of fact may be included in this  
13 stipulation or no?

14 MR. SOVOLOS: I don't believe so, Judge.

15 THE COURT: Okay.

16 MR. SOVOLOS: Judge, the second stipulation, it is  
17 hereby stipulated and agreed by and between the United States  
18 of America, by Joon H. Kim, Acting United States Attorney,  
19 Assistant U.S. Attorneys Michael D. Lockard --

20 THE COURT: We can jump to the text understanding it  
21 is between both sides.

22 MR. SOVOLOS: Sure, Judge.

23 If called as a witness, a representative of Bank of  
24 America would testify that GX 8101-1 contains true and correct  
25 copies of records of financial transfers maintained by Bank of

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1 America in the regular course of its business and which were  
2 produced to the Federal Bureau of Investigation pursuant to a  
3 subpoena.

4 If called as a witness, a representative of BNY Mellon  
5 would testify that GX 8101-2 contains true and correct copies  
6 of financial transfers maintained by BNY Mellon in the regular  
7 course of its business, and which were produced to the FBI  
8 pursuant to a subpoena.

9 If called as a witness, a representative of Citibank  
10 would testify that GX 8101-3 contains true and correct copies  
11 of records of financial transfers maintained by Citibank in the  
12 regular course of its business, and which were produced to the  
13 FBI pursuant to a subpoena.

14 If called as a witness, a representative of Deutsche  
15 Bank Trust Company Americas would testify that GX 8101-4  
16 contains true and correct copies of financial transfers  
17 maintained by Deutsche Bank Trust Company Americas in the  
18 regular course of its business and which were produced to the  
19 FBI pursuant to a subpoena.

20 If called as a witness, a representative of HSBC Bank  
21 U.S.A. would testify that GX 8101-5 contains true and correct  
22 copies of records of financial transfers maintained by HSBC  
23 Bank U.S.A. in the regular course of its business and which  
24 were produced to the FBI pursuant to a subpoena.

25 If called as a witness, a representative of JPMorgan



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1 Chase Bank NA would testify that GX 8101-6 contains true and  
2 correct copies of records of financial transfers maintained by  
3 JPMorgan Chase Bank in the regular course of its business and  
4 which were produced to the FBI pursuant to a subpoena.

5 If called as a witness, a representative of Standard  
6 Chartered Bank would testify that GX 8101-7 contains true and  
7 correct copies of records of financial transfers maintained by  
8 Standard Chartered Bank in the regular course of its business  
9 and which were produced to the FBI pursuant to a subpoena.

10 If called as a witness, a representative of UBS Group  
11 AG would testify that GX 8101-8 contains true and correct  
12 copies of records of financial transfers maintained by UBS  
13 Group AG in the regular course of its business and which were  
14 produced to the FBI pursuant to a subpoena.

15 If called as a witness, a representative of Wells  
16 Fargo Bank NA would testify that GX 8101-9 contains true and  
17 correct copies of records of financial transfers maintained by  
18 Wells Fargo Bank NA in the regular course of its business, and  
19 which were produced to the FBI pursuant to a subpoena.

20 If called as a witness, a representative of Banca  
21 Intesa would testify that GX 8101-10 contains true and correct  
22 copies of records of financial transfers maintained by Banca  
23 Intesa in the regular course of its business and which were  
24 produced to the FBI pursuant to a subpoena.

25 It is further stipulated and agreed that GX 8101-1,

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1 8101-2, 8101-3, 8101-4, 8101-5, 8101-6, 8101-7, 8101-8, 8101-9  
2 and 8101-10 may be received in evidence at trial subject to the  
3 defendant's objections based on relevance and connection.

4 It is further stipulated and agreed that this  
5 stipulation, which is Government Exhibit 9703, may be received  
6 into evidence at trial, subject to the defendant's objections  
7 based on relevance and connection. Dated December 13, 2017.

8 Finally, Judge, the final stipulation. It is hereby  
9 stipulated and agreed that if called as a witness, a  
10 representative of Trapp Technology, Inc, formerly Brinkster  
11 Communications Corp, also known as Trapp, with knowledge of the  
12 matter, would testify that Trapp Technology was served with a  
13 search warrant by Federal Bureau of Investigation, and that GX  
14 2501 through GX 2529 are true and correct copies of e-mails and  
15 attachments produced by Trapp to the FBI, maintained by Trapp  
16 on its servers and which were stored by Trapp in the ordinary  
17 course of its business.

18 If called as a witness, a representative of Google  
19 Incorporated with knowledge of the matter would testify that  
20 Google was served with a search warrant by the FBI and that GX  
21 3001 through GX 3329 are true and correct copies of the e-mails  
22 and attachments produced by Google to the FBI maintained by  
23 Google on its servers and which were stored by Google in the  
24 ordinary course of its business.

25 If called as a witness, a representative of Microsoft

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1 Corporation with knowledge of the matter would testify that  
2 Microsoft was served with a search warrant by the FBI, and that  
3 GX 3501 through 3815 contain true and correct copies of the  
4 data from Microsoft produced to the FBI from that search  
5 warrant, including subscriber information, e-mail, documents,  
6 and files associated with certain accounts maintained by  
7 Microsoft, and which were stored by Microsoft in the ordinary  
8 course of its business.

9 If called as a witness, a representative of Apple  
10 Incorporated with knowledge of the matter would testify that  
11 Apple was served with a search warrant by the FBI, and that GX  
12 4001 is a true and correct copy of an e-mail produced by Apple  
13 to the FBI, maintained by Apple on its servers and which was  
14 stored by Apple in the ordinary course of its business.

15 If called as a witness, a representative of Yahoo  
16 Incorporated with knowledge of matter would testify that Yahoo  
17 was served with a search warrant by the FBI, and that GX 4501  
18 through GX 6094 are true and correct copies of e-mails produced  
19 by Yahoo to the FBI maintained by Yahoo on its servers and  
20 which were stored by the Yahoo in the ordinary course of  
21 business.

22 It is further stipulated and agreed that GX 2501  
23 through GX 2529, GX 3331 through GX 3329, and GX 3501 through  
24 3815, GX 4001, GX 4501 through 6904, and this stipulation,  
25 which is marked as GX 9702, may be admitted as evidence at

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1 trial subject to the defendant's objections based on  
2 connection. Dated December 13, 2013.

3 Your Honor, the government would ask that we move  
4 these stipulations and relevant exhibits into evidence.

5 THE COURT: I'll allow it.

6 (Government's Exhibit 9701, 9702, 9703 received in  
7 evidence)

8 (Government's Exhibit 8101-1 through 8101-10 received  
9 in evidence)

10 (Government's Exhibit 2501 through 2529, 3001 through  
11 3329 received in evidence)

12 (Government's Exhibit 3501 through 3815, 4001 received  
13 in evidence)

14 (Government's Exhibit 4501 through 6904 received in  
15 evidence)

16 MR. SOVOLOS: Thank you, Judge. Judge, at this time  
17 the United States calls Robert Peri.

18 THE COURT: Peri with a P?

19 MR. SOVOLOS: P-E-R-I.

20 THE DEPUTY CLERK: Sir, if you can step up here to the  
21 witness stand. Remain standing for a moment and then raise  
22 your right hand, please.

23 Do you solemnly swear or affirm that the testimony  
24 that you shall give this court and jury in this issue now on  
25 trial shall be the truth, the whole truth, and nothing but the

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Peri - Direct

1 truth, so help you God?

2 THE WITNESS: I do.

3 THE DEPUTY CLERK: Could you please state your full  
4 name for the record.

5 THE WITNESS: Robert Michael Peri. P-E-R-I.

6 THE DEPUTY CLERK: You may be seated.

7 ROBERT M. PERI,

8 called as a witness by the Government,

9 having been duly sworn, testified as follows:

10 DIRECT EXAMINATION

11 BY MR. SOVOLOS:

12 Q. Good afternoon, Mr. Peri.

13 A. Hi.

14 Q. Sir, where do you currently work?

15 A. Citibank.

16 Q. When did you join Citibank?

17 A. I joined Citibank in September of 2015.

18 Q. What is your current title?

19 A. My current title is director of OFAC compliance and  
20 investigations.

21 Q. How long have you been serving as director of OFAC  
22 compliance and investigations?

23 A. Since April of this year.

24 Q. What title did you have before your role as director of  
25 OFAC compliance?

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Peri - Direct

1 A. I was a senior vice president in OFAC compliance.

2 Q. That's within Citibank, correct?

3 A. Correct.

4 Q. Thank you. Who was your employer before Citibank?

5 A. The U.S. Department of the Treasury.

6 Q. When did you begin working at the U.S. Department of the  
7 Treasury?

8 A. In January of 2012.

9 Q. When you were hired in January of 2012, what was your  
10 title?

11 A. I was a policy advisor.

12 Q. What were your principal responsibilities and duties as a  
13 policy advisor?

14 A. I worked in the Office of Terrorism and Financial  
15 Intelligence, I supported the undersecretary providing policy  
16 advice on issues related to illicit finance, money laundering,  
17 and sanctions evasion.

18 Q. Thank you. Did you oversee any programs in the Office of  
19 Terrorism Financing?

20 A. Eventually, yes. I, after a year as a policy advisor, I  
21 became the assistant director for Asia and Africa. So I  
22 oversaw all of the Treasury programs in that area. Eventually  
23 became the director of global affairs overseeing the global  
24 relations of that part of the Treasury Department.

25 Q. That definitely sounds like a promotion. It was?

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Peri - Direct

1 A. It was.

2 Q. Okay. Are there any other additional duties and  
3 responsibilities you had in that position?

4 A. No. It was managing a team of about 25 policy advisors.  
5 That was the position in which I started. But in supporting  
6 the undersecretary for terrorism and financial intelligence,  
7 and other senior staff in their work on sanctions and money  
8 laundering and terrorist financing.

9 Q. Was that the highest professional title you attained?

10 A. Yes, that's correct, it was a senior executive service  
11 position.

12 Q. When did your tenure at the U.S. Department of the Treasury  
13 come to an end?

14 A. In September of 2015 when I joined Citibank.

15 Q. Thank you. So, before we get into the details of your role  
16 at Citibank, can you give us an overview of what type of bank  
17 Citibank is?

18 A. Sure. Citibank is a U.S. bank but with a large global  
19 footprint. Citi has physical operations in over 90 countries  
20 around the world. It is one of the largest U.S. banks by  
21 assets and by asset measure, and the largest by geographic  
22 footprint. But it is headquartered here in the United States.

23 Q. Do you have an estimate of how many transactions are  
24 processed by Citibank on a daily basis?

25 A. In terms of value, the estimate that's generally given is

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Peri - Direct

1 that Citibank processes \$4 trillion in transactions a day.

2 Q. Does Citibank process transactions for correspondent banks?

3 A. Yes.

4 Q. Mr. Peri, can you explain what a correspondent bank is?

5 A. Sure. A correspondent bank is a bank that has a  
6 relationship, an agreement with Citibank, or with any other  
7 bank, to provide mutual financial services. So that can be the  
8 transmission of wires, wiring of money, it can be other  
9 services as well, including check clearing. And other things  
10 of that nature.

11 Q. Can you give us a little bit of a sense of Citibank's  
12 correspondent banking space globally?

13 A. Sure. Citibank has a number of foreign correspondent banks  
14 that it holds relationships with. I'm not sure of the exact  
15 count, but it's well over 1,000.

16 Q. How does Citibank rank as a correspondent bank in United  
17 States dollar currency banking?

18 A. I wouldn't be able to give you the exact ranking. But it's  
19 in the top two or three.

20 Q. What, if any, relationship is there between correspondent  
21 banking and payments in foreign currencies?

22 A. Well, payments in foreign currencies are a fundamental part  
23 of correspondent banking. When you think that correspondent  
24 bank -- one of the main roles of correspondent banking is to  
25 move money from one country to another. The remitter of that



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1 money may be holding it in one currency, and the person who is  
2 receiving the money on the other end may want to receive it in  
3 a different currency. If that's the case, then during that  
4 transaction, a foreign exchange transaction will occur.

5 Q. Based on your experience, do you have a sense of how likely  
6 it is foreign transactions denominated in U.S. dollars would be  
7 cleared through a U.S. bank?

8 A. It's highly likely. I think most, but not all, would be  
9 processed through a U.S. bank.

10 Q. With Citibank, where specifically does Citibank process  
11 U.S. dollar denominated correspondent transactions?

12 A. I would say that the majority of those are processed  
13 through New York.

14 Q. Are some or all of those through Manhattan?

15 A. A significant portion are. I'm not sure that all of them  
16 are, but a significant portion would pass through New York.

17 Q. Going back to your employment with Citibank. You testified  
18 that your first position was senior vice president?

19 A. Correct.

20 Q. What were your principal duties and responsibilities as  
21 senior vice president?

22 A. I managed a small team that was responsible largely for  
23 investigations within the sanctions compliance program. So  
24 understanding particular vulnerabilities or particular areas of  
25 concern related to sanctions, and then also responding to

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Peri - Direct

1 administrative subpoenas from the Department of the Treasury,  
2 primarily.

3 Q. Can you describe for us what the sanctions investigations  
4 team does.

5 A. Sure. So one of those is that when we receive an  
6 administrative subpoena, the Office of Foreign Assets Control,  
7 which is responsible for sanctions, may send Citibank a  
8 subpoena asking for certain bank records.

9 My team was responsible not for pulling those records,  
10 but for analyzing them and providing a comprehensive response  
11 to the Office of Foreign Assets Control on the transactions in  
12 question.

13 Q. So, you're promoted out of the position of senior vice  
14 president, correct?

15 A. Correct.

16 Q. That was directly to the director of OFAC compliance?

17 A. Correct.

18 Q. Tell us a little bit about what the OFAC compliance unit  
19 does, please.

20 A. Sure. So now, we do two things. I manage that team that I  
21 had previously which was responsible for investigations, but  
22 now I've been given responsibility for a team that does what we  
23 would call level three transaction review. Which essentially  
24 means that in the \$4 trillion of transactions that are  
25 processed every day, those are screened for sanctions concerns.

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Peri - Direct

1 And if one of -- if there is a flag, if a sanctions hit occurs,  
2 it may be escalated ultimately to my team, and we are the  
3 ultimate decisionmakers whether or not a transaction is  
4 permissible or would violate sanctions, and then we instruct  
5 the operations of Citibank either to process that transaction  
6 or to block it.

7 Q. So you said level three. Is that correct?

8 A. Correct.

9 Q. Which begs the question, is there a level one and two?

10 A. Sure. Of course. So the way that it works is when a  
11 transaction passes through Citi, it is screened against  
12 sanctions lists. Lists that give names of individuals,  
13 companies, or governments or countries in certain cases. If  
14 there is a match, if something in that transaction matches  
15 against something in one of those lists, it stops for review.  
16 First it stops at level one.

17 And to give you a basic example, what level one is  
18 able to do, because keep in mind this is millions and millions  
19 of transactions a day, is they can say the targeted party that  
20 designated party is named Maria. In the payment we've just  
21 received Maria is a vessel, is a boat. Therefore, that can't  
22 be the same Maria. This is okay to process.

23 Beyond that, they have to send it to level two. Level  
24 two has a similar process with a bit more ability to try to  
25 investigate whether the name Maria on the list is the same as

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Peri - Direct

1 the one in the transaction. And if not, it comes to my team,  
2 and my team has greater bandwidth to analyze the transaction  
3 and make the ultimate determination.

4 Q. So you say greater bandwidth. How many people work under  
5 you?

6 A. Sanctions compliance at Citibank is a function of over 200  
7 people now. On my team, all told, we have just over 20.

8 Q. So, you talked about your team. Are there other teams?

9 A. Sure. There is -- sanctions compliance is complex, so we  
10 have people who work in Citi's various lines of business to  
11 help implement sanctions compliance. We have people who work  
12 in the various regions in which Citi is present to help  
13 implement sanctions compliance. And then we have my team.

14 Q. You testified earlier that you mentioned OFAC. Just to be  
15 clear, is OFAC administering the sanctions regimes?

16 A. That's right. So OFAC stands for the Office of Foreign  
17 Assets Control. It is a division within the Department of the  
18 U.S. Treasury that administers as the primary administrator of  
19 U.S. sanctions programs.

20 Q. Would you describe sanctions regimes as strict liability?

21 A. Yes. They are strict liability, and this is a unique  
22 feature of sanctions compared to other areas of compliance.

23 Q. What is strict liability?

24 A. Strict liability essentially means that Citibank, or any  
25 U.S. person, is responsible for complying with the sanctions

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1 and can be held responsible, whether they are witting or not.  
2 So in other words, if there is a violation of the sanctions  
3 committed, it doesn't matter whether the bank in question knew  
4 that they were violating sanctions or intended to violate  
5 sanctions. They are liable regardless.

6 MS. FLEMING: Objection. Legal issue.

7 THE COURT: Yes.

8 MS. FLEMING: Move to strike.

9 THE COURT: Sustained.

10 Q. In the context of the job that you do, can you describe  
11 what your understanding of sanctions compliance is.

12 A. Sure. It is the efforts that the bank undergoes as a U.S.  
13 bank to comply with what -- we comply with U.S. sanctions, we  
14 also comply with international sanctions. U.S. is not the only  
15 country to have sanctions. But it's the efforts that the bank  
16 undertakes to ensure that we don't violate any of those  
17 sanctions.

18 Q. In your position, are there countries that are of  
19 particular focus in sanctions compliance?

20 A. Sure. There are countries that we would deem  
21 comprehensively sanctioned. Those include Iran, Syria, North  
22 Korea.

23 Q. Are there financial entities that are particular focused in  
24 sanctions compliance at Citibank?

25 A. Absolutely. There may be financial institutions in other

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Peri - Direct

1 countries that are designated, but in countries such as the  
2 ones I've just named, Iran, Syria, North Korea, any financial  
3 institution is of concern to Citi.

4 Q. So in your work, what are some common measures that you've  
5 encountered that are taken to evade sanctions?

6 A. Well, the most typical one is what we would call wire  
7 stripping. So wiring money is the most common way to move  
8 money overseas and to evade sanctions controls. Wire stripping  
9 basically means that whatever that reference is, whether it's  
10 Iran or Maria, whatever the reference is that would hit upon a  
11 sanctions list, is omitted, is removed from the transaction.  
12 So that it won't create a hit and would simply pass through the  
13 bank unnoticed.

14 Q. So does Citibank compliance check for resubmissions of  
15 blocked or rejected transactions?

16 A. Sure. Citibank compliance, this is not -- yes. Citibank  
17 compliance does check for resubmissions.

18 THE COURT: I missed it. Could you say it again?

19 THE WITNESS: Absolutely. Excuse me, your Honor.  
20 Citibank compliance checks for resubmitted transactions.

21 A. So to give you an example, a transaction may be attempted  
22 by a counterparty in which they included a sanctions reference.  
23 Say Iran. And that transaction may be blocked. The same  
24 parties may attempt the same transaction, stripping out that  
25 term "Iran" to try in an attempt to get it through the bank.

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1           So Citibank has a program whereby we can detect the  
2           same counterparties, similar amounts of transaction, even if it  
3           no longer has the reference that made it flag in our system, we  
4           should be able to catch it the next time it comes through. And  
5           we do catch things that way.

6           THE COURT: By program, do you mean a computer program  
7           that does that?

8           THE WITNESS: Yes, it's computer driven at its base.  
9           The computer is the one that would detect the parameters,  
10          similar value, same counterparties, and then would flag that  
11          for an operator who would analyze it.

12          Q. Sir, I want to add some context to the sanctions compliance  
13          and ask you about some terms that may be used at Citibank.  
14          What does KYC stand for?

15          A. KYC stands for "Know Your Customer." That is sort of the  
16          fundamental -- I would characterize it as fundamental building  
17          block on which a sound compliance program is based. Knowing  
18          who your customer is, what their business is, what they intend  
19          to use your bank for, and who the ultimate beneficial owner who  
20          controls, if it is an entity, if it is a company, who controls  
21          that company and ultimately stands to benefit from it.

22          Q. Does KYC apply to correspondent bank relationships?

23          A. Absolutely. A correspondent bank is considered a client of  
24          the bank. So there is a KYC process, a rigorous KYC process  
25          that happens for correspondent banks.

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1 Q. You described some screening measures taken earlier. How  
2 does transaction screening work at Citibank?

3 A. How does transactions screening work at Citibank. Well, I  
4 guess I've given you a taste of what the various levels of  
5 review. Essentially when a transaction is initiated, when it  
6 comes to Citibank, there is a message that's created that  
7 includes a lot of data. That message is screened by a  
8 computer. And if any of that data creates a hit to any of the  
9 lists that we have entered and that we monitor, including the  
10 OFAC sanctions list, then it is flagged, and then that's when  
11 we initiate this three levels of review process.

12 Q. You also mentioned programs earlier. Does screening get  
13 broken up into programs at Citibank?

14 A. Yeah, it does. By programs we mean different types of  
15 sanctions programs, because different types of sanctions  
16 programs have different prohibitions that go along with them.  
17 There are U.S. sanctions programs, and within those there are  
18 obviously different -- Iran and North Korea, various programs.  
19 Citi screens all U.S. sanctions programs no matter where Citi  
20 operates in the world, because we're a primarily U.S. bank.  
21 But we also screen against other programs, the U.N. sanctions  
22 programs and other countries' sanctions programs where they may  
23 be applicable.

24 Q. Can you elaborate a little bit on country sanctions  
25 programs?



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1 A. Sure. Within the context of U.S. sanctions, when we talk  
2 about country sanctions program, it gets back to the country of  
3 concern that you asked me about previously. A country  
4 sanctions program is what we would call -- it generally  
5 consists of two parts, sort of the most robust sanction that  
6 the U.S. generally applies.

7 It consists of a blocking of the government in  
8 question, so, for example, blocking of the government of Iran  
9 or blocking of the government of North Korea and then a trade  
10 embargo. When you have those two things together, we in  
11 compliance we call that a country program or a comprehensive  
12 sanctions program.

13 Q. You've mentioned the blocked or blocking of transactions.  
14 You've also mentioned I believe a rejecting of transactions.  
15 Is there a difference between those two?

16 A. Yeah. So, blocking a transaction essentially means -- and  
17 this is an obligation under most OFAC U.S. programs -- is that  
18 when funds come into the possession of a U.S. person, be an  
19 individual, but in this case of Citibank, and they pertain to a  
20 sanctioned party or have a nexus to a sanctioned party, Citi  
21 has an obligation to book those funds and, basically,  
22 technically what that means is the sanctioned party doesn't  
23 lose possession of those funds, but they lose control of those  
24 funds. They're placed in an omnibus account at Citi, an  
25 interest-bearing account, but they no longer -- that sanctioned

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1 person, until they are removed from that list, cannot access  
2 those funds.

3 Rejecting a transaction in some cases is possible as  
4 well, depending on what the regulation says. Rejecting a  
5 transaction basically consists of sending it back to the  
6 remitter, but with the added step of that needs to be reported  
7 to OFAC if there was a potential OFAC sanctions issue.

8 Q. So if a transaction is blocked, is there a reporting  
9 requirement to OFAC?

10 A. Absolutely. We provide a weekly blocked property report to  
11 OFAC. That's a requirement. As well as an annual blocked  
12 property report.

13 Q. If a transaction is rejected, is there a reporting  
14 requirement to OFAC?

15 A. Yeah. Citi -- there is a third element. Citi will cancel  
16 transactions where it is unable to determine if the sanctioned  
17 party is involved, but where it seems to be a transaction of  
18 concern. A simple cancellation does not require reporting to  
19 OFAC, but where we truly believe there was a sanctioned party  
20 involved, that's what we call a reject, and that is sent back  
21 but then reported to OFAC for informational purposes.

22 Q. I also wanted to ask you about what it means to say a  
23 transaction is flagged.

24 A. Sure. To say a transaction is flagged is just a way that  
25 within the bank to say that it hit on something. So like I was

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1 describing there are these lists, if it is flagged, that means  
2 that something looked amiss and therefore it started into this  
3 level one, two, three review process where a human being  
4 looking at it to ensure it's a permissible transaction.

5 Q. So are there ever changes in the screening methods you  
6 described in OFAC compliance?

7 A. Sure. I mean, so, OFAC changes its lists very regularly.  
8 I would say, you know, I would estimate a couple of times a  
9 week individuals may be added to that list, and every time that  
10 occurs, we have to update our list to ensure that we're staying  
11 up to date. The same applies with other international foreign  
12 sanctions programs.

13 But otherwise, the sort the basic structure of the  
14 three levels of review has been in place for a very long time  
15 and is fundamental to what we do. As you might imagine, it's  
16 huge, it requires a lot of manpower, and so therefore that is  
17 not changed very much. Very frequently.

18 Q. Does the OFAC compliance unit have any anti-money  
19 laundering responsibilities?

20 A. It does not. No, that resides elsewhere within Citibank.  
21 The fundamentals of the two overlap in many ways, but we are  
22 only responsible for sanctions.

23 Q. Can you please generally describe what anti-money  
24 laundering is.

25 A. Sure. I guess the easiest way is to say what money

HCD3ATI4

Peri - Direct

1 laundering is, money laundering is taking funds that are the  
2 proceeds of crime, money that is gained illicitly, and passing  
3 it through a number of -- through -- attempting to disguise the  
4 illicit nature of those funds, and make them appear to be gains  
5 that were acquired in a licit manner.

6 MS. FLEMING: Objection. I think, A, he's not in the  
7 anti-money laundering area, and B, I think we are getting into  
8 legal areas again.

9 THE COURT: He's giving his lay understanding of those  
10 terms. So I'll allow that to go forward.

11 Q. What is the significance of layering to either anti-money  
12 laundering or sanctions compliance at Citibank?

13 A. So layering is the practice of moving money through various  
14 accounts or various monetary vehicles or other things, as I  
15 said, to disguise it its original origin. It's a fundamental  
16 tool of money launderers. It is also a frequent practice in  
17 cases of sanctions evasion.

18 Q. Thank you, sir. Just a few more questions. Generally,  
19 from your experience since you joined Citibank, what are the  
20 consequences of a U.S. bank for failing to properly control  
21 sanctions compliance?

22 A. They're significant. They can be monetary in the form of  
23 civil monetary penalties of fines. And if you look over the  
24 course of the last decade, we're well over I believe  
25 \$15 billion in fines that have been handed down to financial

HCD3ATI4

Peri - Cross

1 institutions for not properly enforcing sanctions regulation.  
2 I'll note that Citibank has paid \$200,000 of those billions of  
3 dollars, so not .00001 percent. Then there are also  
4 reputational, as sanctions are a tool of U.S. foreign policy,  
5 they're incredibly important. As a U.S. bank, we take that  
6 obligation very seriously.

7 MR. SOVOLOS: Nothing further, Judge.

8 THE COURT: Ms. Fleming.

9 MS. FLEMING: Thank you, your Honor.

10 CROSS-EXAMINATION

11 BY MS. FLEMING:

12 Q. Good afternoon, Mr. Peri. My name is Cathy Fleming and I  
13 represent Mr. Atila. You talked about just now that Citi --

14 THE COURT: If both of you could slow down a little  
15 bit. It will make it easier for the interpreters.

16 Q. You talked about just now that Citi has in fact been  
17 sanctioned, correct?

18 A. Citi has paid a one-time monetary penalty related to  
19 sanctions, yes.

20 Q. That was in 2014 and that related to Iranian sanctions  
21 violations, correct?

22 A. I was not at the bank at the time, so I don't have the  
23 details on what it related to. But that sounds about right.

24 Q. That was despite very robust compliance and ant-money  
25 laundering programs in place, correct?

HCD3ATI4

Peri - Cross

1 A. That's correct.

2 Q. After any time there is a problem, your group and other  
3 groups would look to see how you can improve the compliance  
4 programs, correct?

5 A. We're constantly doing that, not just when there is a  
6 problem. Because we're regulated and monitored annually, so  
7 we're constantly looking to improve.

8 Q. So, you will look and try to plug whatever holes or  
9 whatever weaknesses you find as problems become apparent to you  
10 or your group, correct?

11 A. Sure.

12 Q. Now, you gave your testimony as a U.S. person, that is the  
13 one of the terms you used here, correct?

14 A. That's correct.

15 Q. You are aware based on your experience that it is different  
16 for a non-U.S. person, correct?

17 A. I'm sorry. I'm not sure what it refers to.

18 Q. When you talked about some of the regulations you are aware  
19 that, for example, foreign banks have slightly different  
20 regulations than U.S. banks, correct?

21 A. Absolutely, but it very much depends on the program.  
22 Certain programs apply and certain programs do not. But yes,  
23 generally U.S. sanctions apply to U.S. persons.

24 Q. For example, U.S. banks also have lots more regulations  
25 that don't apply to foreign banks, correct?

HCD3ATI4

Peri - Cross

1 A. I don't know what regulations apply to foreign banks, and I  
2 assume it's different from jurisdiction to jurisdiction. U.S.  
3 banks are highly regulated.

4 Q. But for example, the Bank Secrecy Act, that's a uniquely  
5 United States --

6 MR. SOVOLOS: Objection.

7 THE COURT: Now we're get into the legal again.

8 Q. Do you have a layperson understanding of that based upon  
9 your compliance background?

10 A. What I would say is I believe that banking laws are unique  
11 in every jurisdiction.

12 Q. When you talked about the various kinds of screening  
13 programs that are in place, and by the way, you lead up a team  
14 you said of some 25 people; is that accurate?

15 A. 20 I believe is what I said.

16 Q. In Citi, are you located in Washington, D.C.?

17 A. That's correct.

18 Q. In Washington, D.C., is that the center sanctions group for  
19 Citi?

20 A. That's -- we're spread in a number of places. The head of  
21 sanctions is based in Miami. We have a number of people in  
22 Washington as well as in a couple of other locations, and then  
23 overseas.

24 Q. Do you know what the total number of people that specialize  
25 simply in sanctions there are that work for Citi?

HCD3ATI4

Peri - Cross

1 A. Over 200.

2 Q. Now, sanctions are separate from compliance at Citi,  
3 correct?

4 A. Sanctions is separate from anti-money laundering.  
5 Sanctions is a part of compliance.

6 Q. Do you know how many people work for anti-money laundering  
7 at Citi?

8 A. I don't.

9 Q. Do you know, is there a separate Treasury Department that  
10 also deals with some of these regulations at Citi?

11 A. At Citi?

12 Q. Yes.

13 A. I'm not sure I understand the question. Could you repeat  
14 it?

15 Q. There are other departments that also deal with the  
16 sanctions regulations in addition to compliance and in addition  
17 to sanctions, correct?

18 A. There are other departments at Citi that deal in banking  
19 regulation?

20 Q. The sanctions regulations. They have responsibilities that  
21 overlap for looking at sanctions and making sure there is  
22 compliance?

23 A. Ultimately that responsibility lies with sanctions  
24 compliance. The bank has integrated functions, so there are  
25 other groups that may execute, but sanctions policy resides in



HCD3ATI4

Peri - Cross

1 sanctions compliance.

2 Q. Are there people on your team who are trained as lawyers?

3 A. Yes.

4 Q. Out of the some -- the number that you have, how many are  
5 actually trained as legal counsel?

6 A. I wouldn't -- I don't know off the top of my head.

7 Several.

8 Q. Are you trained as a lawyer?

9 A. I'm not.

10 Q. The fellow who negotiated Miami, is he trained as a lawyer?

11 A. I don't believe he is either. There are several there.

12 There are lawyers there as well.

13 Q. You talked about Citi globally processes \$4 trillion worth  
14 of transactions daily?

15 A. That's the estimate.

16 Q. Do you have any idea how that breaks down in terms of the  
17 volume on numbers in any general sense?

18 THE COURT: Oh. You want the breakdown on  
19 \$4 trillion?

20 MS. FLEMING: Just a general number.

21 A. No, I don't think so. But I'm not quite sure what you're  
22 asking either.

23 Q. When you talked about the compliance programs, the term  
24 SDN -- you talked about lists that are done, correct?

25 A. Correct.

HCD3ATI4

Peri - Cross

1 Q. What's an SDN list?

2 A. SDN list stands for the Specially Designated Nationals  
3 list. It is the list that's put out by the Office of Foreign  
4 Assets Control that basically names all of the individuals and  
5 entities that are subject to U.S. sanctions.

6 Q. And that is the list that you talked about that gets  
7 updated at least a couple times a week in general, correct?

8 A. The SDN list, yes, by Treasury. It's irregular, but on  
9 average it could be up to several times a week.

10 Q. In fact people get put on and even occasionally people and  
11 entities get taken off, correct?

12 A. Absolutely, correct.

13 Q. There are software programs designed specially that will  
14 help entities and banks and financial institutions with their  
15 reviews and their compliance programs to see if people are up  
16 on the SDN list, correct?

17 A. Yes.

18 Q. And does Citi use software to --

19 A. Absolutely.

20 Q. -- their SDN obligations?

21 A. Absolutely. A bank can't operate without software. So  
22 sure we do. As I said, there are three levels of human review,  
23 but there is a lot of software involved.

24 MS. FLEMING: Thank you for coming, Mr. Peri.

25 THE COURT: We'll excuse the witness. Thank you very

HCD3ATI4

1 much.

2 (Witness excused)

3 THE COURT: Does the government have any more  
4 witnesses?

5 MR. SOVOLOS: Your Honor we have one witness tomorrow  
6 after Mr. Korkmaz. And I understand that there is the  
7 cross-examination of Mr. Korkmaz is going to occur.

8 THE COURT: So you don't have anybody else today?

9 MR. SOVOLOS: Not today. We anticipated that  
10 Mr. Korkmaz would be cross-examined by the defense.

11 THE COURT: Okay.

12 (At the sidebar)

13 THE COURT: Who is the remaining witness?

14 MR. SOVOLOS: Jonathan Schanzer from the Foundation  
15 for the Defense of Democracies.

16 THE COURT: How long a witness is that?

17 MR. SOVOLOS: Probably about 35 or 40 minutes.

18 THE COURT: He's going to be here when?

19 MR. SOVOLOS: In the morning.

20 THE COURT: So we'll start Jonathan Schanzer?

21 MR. ROCCO: I thought you weren't calling Schanzer.  
22 We must have misunderstood.

23 MR. LOCKARD: We were considering it, but given  
24 Mr. Korkmaz finished this morning. And Mr. Schanzer --

25 THE COURT: Is that the expert?

HCD3ATI4

1 MR. LOCKARD: Yes. And we've trimmed it down to about  
2 a half hour.

3 THE COURT: I thought you were not calling him either.  
4 What do we need him for?

5 MR. SOVOLOS: I thought it was an open question at the  
6 end of the day yesterday, and we gave you the slides this  
7 morning. Expecting --

8 THE COURT: What do we need him for the merits. We  
9 could call 100 more witnesses.

10 MR. SOVOLOS: Understood, Judge.

11 THE COURT: God forbid.

12 MS. FLEMING: We didn't cross the other guy on the  
13 Freedom for Democratic Democracy or whatever it is.

14 THE COURT: Right.

15 MR. SOVOLOS: He provides a context in Turkey of the  
16 effect that the gold transactions had on export numbers.

17 THE COURT: Does he know anything about Mr. Atilla?  
18 That's really the issue here.

19 MR. SOVOLOS: Understood.

20 THE COURT: No, I'm not being critical. I'm just  
21 saying, is he going to talk about Mr. Atilla? We've got a huge  
22 amount of background now.

23 MR. LOCKARD: As an expert, no. He wouldn't testify  
24 about Mr. Atilla. We anticipated him as a very short directed  
25 expert testimony as Mr. --

HCD3ATI4

1 THE COURT: How about a proffer, what is he going to  
2 say?

3 MR. LOCKARD: So there has been other evidence about  
4 statements by the co-conspirators or by Mr. Atilla about export  
5 figures or intended economic impacts of various transactions,  
6 and Mr. Schanzer would provide some short direct testimony  
7 about what that means, and the context of what those statements  
8 are to help the jury understand what they're talking about.

9 THE COURT: I think the jury's got enough info. I  
10 really do. So, we can talk about it at the close today, too,  
11 but my inclination is we should turn now to the  
12 cross-examination of Mr. Korkmaz. Who is going to do that?

13 MR. HARRISON: Me, Judge.

14 THE COURT: Good.

15 (Continued on next page)  
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HCDPATI5

1 THE COURT: So we're going to re-call the prior  
2 witness and continue with his cross-examination.

3 MR. HARRISON: Judge, just one more.

4 (Continued on next page)

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HCDPATI5

1 (At the side bar)

2 MR. HARRISON: So I'm going to do the cross of  
3 Mr. Korkmaz. Mr. Lockard had a concern about asking this  
4 witness questions about people that, I guess, helped him after  
5 he got out of Turkey.

6 MR. LOCKARD: Yes. So, basically, Mr. Korkmaz's  
7 communications with the U.S. government were indirect, and he  
8 is concerned about their safety and their family's safety if  
9 they were going to be identified.

10 THE COURT: I think we had motion practice on this.

11 MR. ROCCO: I think we did. We made an application.

12 THE COURT: I don't really want to involve other  
13 people.

14 MR. ROCCO: Your Honor, I would think not, but if -- I  
15 think the question will always be context; so the fact of the  
16 matter is that I don't think Mr. Harrison has any intentions of  
17 going into the identities of specific people.

18 MR. HARRISON: No, Judge. I do want to know, because  
19 it's unclear to me, how he got to the U.S., how he made -- I  
20 don't need to know who, but how it happened.

21 THE COURT: We don't need to talk about countries.

22 MR. HARRISON: Sure.

23 THE COURT: And we don't need to talk about people  
24 because I don't think it would help. We sort of generally know  
25 the story. I would be concerned about security issues that

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1 don't really help Mr. Atilla, as far as I can see.

2 MR. HARRISON: I got it. I was sort of assuming,  
3 though, that I could ask him generally, without eliciting  
4 identification or names of people, like how did it happen.

5 THE COURT: How about this for a novelty, how about  
6 asking him what he knows about Mr. Atilla? How about that?

7 MR. HARRISON: Absolutely, I will do that.

8 THE COURT: All right.

9 MR. ROCCO: Your Honor, if I may? The government  
10 didn't ask many questions about Mr. Atilla; so I think that --

11 MR. LOCKARD: I asked a few.

12 THE COURT: What's good for the goose is good for the  
13 gander, there's no question, but I don't want to look backwards  
14 at the moment.

15 MR. HARRISON: I'm only going into his direct. I'm  
16 only going on his direct.

17 THE COURT: Okay. Let's talk about this.

18 (Continued on next page)



HCDPATI5

Korkmaz - Cross

1 (In open court)

2 THE DEPUTY CLERK: Sir, before we begin, I'd like to  
3 again remind you that you're still under oath.

4 THE WITNESS: Thank you.

5 MR. HARRISON: May I proceed, your Honor?

6 THE COURT: Sure.

7 MR. HARRISON: Thank you.

8 CROSS-EXAMINATION

9 BY MR. HARRISON:

10 Q. Mr. Korkmaz, my name is Todd Harrison, and I represent  
11 Mr. Atilla.

12 A. Nice to meet you.

13 Q. I'm going to be asking you some questions today, and my  
14 first question is, you've never actually seen or met Mr. Atilla  
15 in person before you came to this courtroom, correct?

16 A. That is correct.

17 Q. And I want to talk a little bit about direct examination  
18 that you've had with Mr. Lockard for the last few days.

19 A. Yes.

20 Q. My first question is, do you remember testifying earlier  
21 today about the contents of a couple of phone calls that you no  
22 longer have the audio for?

23 A. Are you referring to the conversations that were on  
24 April 14th?

25 Q. Yes. Do you remember how many conversations you testified

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Korkmaz - Cross

1 about this morning that you did not have audio for that you no  
2 longer have audio for?

3 A. I don't recall any question about how many there were this  
4 morning.

5 THE COURT: No, no. He's just asking if he remembers  
6 the questions that were asked this morning, generally.

7 A. I recall that there were two that I was questioned about  
8 from April 14th.

9 Q. And when you testified this morning, you testified that you  
10 had your own specific recollection of what the participants in  
11 those calls said when you listened to them back in 2013,  
12 correct?

13 A. That is correct.

14 Q. And you testified earlier that in the course of that -- the  
15 investigation that you were the supervisor for, there were  
16 thousands of telephone calls that were recorded, correct?

17 A. That is correct.

18 Q. And you testified previously that you listened to most of  
19 them, or at least a lot of them, correct?

20 A. That is correct.

21 Q. And I think you said that it was -- the number of calls  
22 that you listened to was probably between 250 and 1,000,  
23 correct?

24 A. That is correct and, in fact, in answering that question,  
25 I'd also mention that it was in the hundreds. But, yes, that

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Korkmaz - Cross

1 is correct.

2 Q. Yes, you did say that. And you also said, but it could  
3 also be 2,000, I can't really set a certain number. Do you  
4 remember saying that earlier -- I'm sorry, yesterday?

5 A. That is correct, yes.

6 Q. So I just want to be clear about what we're talking about.  
7 You're saying for those calls that you no longer had audio for,  
8 those two calls that you testified about this morning, you're  
9 saying that you have an independent recollection of what was  
10 said on those calls from when you listened to them back in  
11 2013, correct?

12 A. That is correct.

13 Q. Because you haven't listened to any of those recordings  
14 recently, right? Because, according to you, those recordings  
15 never made it out of Turkey, correct?

16 A. I did not listen to the sound recordings of these, but I  
17 did read the transcripts of them and that helped me refresh my  
18 mind about the calls.

19 Q. Okay. But I'm talking about when you're back in Turkey,  
20 did you ever actually listen to the audio of those two calls  
21 that you testified about this morning, or did you just read  
22 transcripts back in 2013?

23 A. I remember very well that I had listened to those  
24 conversations that are in question because those intercepts  
25 were among the first that I had got to listen to as I had

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Korkmaz - Cross

1 received the authorization to be able to monitor intercepts.

2 My supervisors had me sit down with monitoring  
3 officers and had me work on the KDM system and to learn to  
4 listen to intercepts, and these conversations were among the  
5 very first that I had listened to from that time.

6 Q. So these two were among the first out of the hundreds or  
7 perhaps thousands that you listened to?

8 A. I would put it this way, they were among the very first  
9 that I began to listen to through the KDM system.

10 Q. And a lot has happened to you since you listened to those  
11 tapes in Turkey in 2013, correct?

12 A. That is correct.

13 Q. You resigned from the police force, correct?

14 THE COURT: You know, we got the answer to your  
15 question.

16 A. I did not resign. I was fired.

17 Q. Well, do you recall telling the U.S. Attorney's Office on a  
18 previous occasion, when you met with them, that you actually  
19 resigned from the police force?

20 A. No, I've never said that I resigned.

21 Q. And then after you left the police force, you were actually  
22 charged with crimes in Turkey about nine months later, correct?

23 A. That is correct, but there might have been an error in the  
24 question, if you can please repeat. When you say after you had  
25 separated from the police force, what do you mean by that part

HCDPATI5

Korkmaz - Cross

1 of that question?

2 Q. It wasn't a trick question. Sometime after you left the  
3 police force, about nine months after, you were charged with  
4 crimes in Turkey, correct?

5 A. It is correct that I received such charges, but I'd like to  
6 exclude the first part of your question because that was while  
7 I was still with the police force, and I was not out of the  
8 police force yet.

9 Q. Okay. But sometime after you were out of the police force,  
10 you were charged with crimes, correct?

11 THE COURT: Maybe I could help you a little. So when  
12 were you charged with crimes in Turkey?

13 THE WITNESS: It was September 1st, 2014.

14 Q. And you left the police force at the end of 2013, correct?

15 A. No, sir. As I said here for two days now, I was exiled to  
16 the bridge unit, that I was exiled out to the province of  
17 Hakkari. So at the time that I was arrested, I was still  
18 within the police force.

19 Q. You're right. My mistake. So at the end of 2013, you left  
20 your post in Istanbul, correct?

21 A. That is correct, I was reassigned.

22 Q. It was nine months after that that you were first charged  
23 with crimes in Turkey, correct?

24 A. Judicially, that is correct.

25 Q. And then you spent some time in prison, correct; about 17

HCDPATI5

Korkmaz - Cross

1 months, I think you testified on direct?

2 A. That is correct.

3 Q. And then you were released from prison on February 9th of  
4 2016, correct?

5 A. That is correct.

6 Q. And then, at some point, you mentioned on your direct  
7 examination that you were charged again, or were going to be  
8 charged again was your understanding in Turkey?

9 THE COURT: Now, wait a minute. Are you saying  
10 charged again?

11 MR. HARRISON: That's my understanding of his direct  
12 testimony, your Honor.

13 THE COURT: That he was charged twice?

14 MR. HARRISON: Or he was going to.

15 THE COURT: Maybe you could ask that.

16 MR. HARRISON: Sure.

17 BY MR. HARRISON:

18 Q. Were you charged with crimes in Turkey after you were  
19 released from prison in February of 2016?

20 A. Yes.

21 Q. When was that?

22 A. I remember that to be at the end of June.

23 Q. Of 2016, correct?

24 A. That is correct.

25 Q. And then in July of 2016, there was a coup attempt in

HCDPATI5

Korkmaz - Cross

1 Turkey, correct?

2 THE COURT: Excuse me, just one second. Could I ask  
3 one thing? Were you charged with crimes before you went to  
4 prison?

5 THE WITNESS: There were many investigations that were  
6 conducted about me between the disciplinary ones.

7 THE COURT: Disciplinary ones?

8 THE WITNESS: As well as other judicial ones.

9 THE COURT: But were you charged with any crimes  
10 before you went to prison?

11 THE WITNESS: So based on our legal system -- shall I  
12 understand your question to be whether I was indicted?

13 THE COURT: Well, the technical term, I'm just trying  
14 to figure out why you went to prison, for what?

15 THE WITNESS: Okay. Then I'll explain that. In our  
16 criminal law system, we have two phases. One is the  
17 investigation. The next one is prosecution, and with  
18 indictment, the investigation phase ends and the prosecution  
19 phase begins, but the arrest can happen during the  
20 investigation phase. For example, I was arrested on  
21 September 1st.

22 THE COURT: Of what year?

23 THE WITNESS: In 2014. This was an investigation, and  
24 this becoming a charge against me or the indictment actually  
25 happened about a year after -- after I was arrested.

HCDPATI5

Korkmaz - Cross

1           So with relation to that, then back to the question  
2           that was asked of me earlier. What happened is while I was  
3           incarcerated, there was an investigation against me, and by the  
4           time I received the charges from that investigation, that  
5           happened after I was released. What I understand is that after  
6           I was relieved from duty, there were many investigations about  
7           me that were conducted during that period.

8           Q. And just so we're clear, what were the charges in that  
9           first indictment?

10          A. My reason for arrest was a coup.

11          Q. Well, the first time you were arrested was in  
12          September 1st -- the first time you were detained was  
13          September 1st of 2014, correct?

14          A. Yes.

15          Q. And there were a number of specific charges in the  
16          indictment that -- the charging instrument that you were  
17          eventually charged with, correct?

18          A. Referring to the indictment that was put out against me  
19          about a year later? Yes, that is correct.

20          Q. How many different charges against you were there in that  
21          indictment?

22          A. Those included a coup, it included terrorist organization,  
23          espionage and misuse of authority.

24          Q. And the misuse of authority was for performing illegal  
25          wiretaps, correct, in violation of Turkish law?



HCDPATI5

Korkmaz - Cross

1 A. Yes.

2 Q. We'll come back to that. What were the charges, if you  
3 remember them, from the second indictment that you have  
4 referred to that came down in June of 2016?

5 A. I did not have a good chance to look thoroughly at that  
6 indictment, but -- so I can't remember the charges section very  
7 well, but I remember terrorist organization was one of them,  
8 and coup again was one of them, violation of secrecy, as well  
9 as misuse of authority were also among them, I believe.

10 Q. And so again, in that second indictment, you were also  
11 charged with illegal wiretapping, just like you were in the  
12 first indictment, correct?

13 A. Yes.

14 Q. And when you refer to a charge of a coup in both of those  
15 indictments, you mean that you were trying to perform a coup or  
16 trying to overthrow the Turkish government, correct?

17 A. That is correct. There were such allegations, and all of  
18 these allegations were baseless and they were slanders.

19 Q. And after you were released from prison in July of 2016,  
20 one month after that second indictment, there actually was a  
21 coup in Turkey, wasn't there?

22 A. It was not one month later.

23 Q. It started on July 15th of 2016, didn't it, Mr. Korkmaz?

24 A. That is correct, on July 15, 2016, there was a calamity  
25 that happened in Turkey.

HCDPATI5

Korkmaz - Cross

1 Q. And that was about a month after you got the second  
2 indictment in June of 2016, correct?

3 A. It occurred after the indictment was written up, but I had  
4 not received a copy of the indictment at that time.

5 Q. And then in that coup attempt in July of 2016, a group of  
6 military officers tried to overthrow the Turkish government,  
7 correct?

8 MR. LOCKARD: Objection.

9 THE COURT: I'll allow it.

10 A. That's what it appeared to be, and since I'm not a coup  
11 investigation expert, I don't know what the details behind that  
12 may have been.

13 Q. But you were in Turkey at the time, correct?

14 A. Yes.

15 Q. Where were you in Turkey during the -- from July 15th of  
16 2016 to July 21st of 2016, when the coup ended?

17 THE INTERPRETER: Could you repeat the dates again,  
18 please?

19 THE COURT: It went to the 21st?

20 MR. HARRISON: Yes, sir, of July.

21 A. I was in Istanbul on July 15th.

22 Q. And that was the -- sorry. Go ahead.

23 A. And I went to Afyon on July 16th.

24 THE COURT: What is that, a place?

25 THE WITNESS: It's a city.

HCDPATI5

Korkmaz - Cross

1 Q. Just so the record reflects it, you had to pause there for  
2 a while. Are you having a hard time remembering where you were  
3 during the coup?

4 THE COURT: Counsel, this is not Law and Order. Just  
5 ask the questions. All right?

6 A. What happened is I wanted to ensure whether the date was  
7 the 16th or the 17th of July.

8 Q. And it was shortly after that coup attempt that you left  
9 Turkey, correct?

10 A. Yes.

11 Q. I think you testified on direct that it was in August of  
12 2016, approximately two weeks after the end of the coup  
13 attempt, that you left Turkey, right?

14 A. That is correct.

15 Q. And the coup attempt was by a group called the Gulenists,  
16 correct?

17 A. In order for me to verify that, I'd have to have taken part  
18 in those investigations.

19 Q. We'll come back to that. After you left Turkey, I think  
20 you testified on direct that you went to several other  
21 countries, correct?

22 A. Yes.

23 Q. How many other countries did you go to before you came to  
24 the United States?

25 A. It was three plus one.

HCDPATI5

Korkmaz - Cross

1 Q. I'm not sure what that means. Is it four countries in  
2 between the time you left Turkey and got to the United States,  
3 or are you counting Turkey and the United States?

4 A. I went to three countries, and what I meant by the plus one  
5 was on my way to the United States, I was on a transit flight.

6 Q. And what was the time period between the time that you left  
7 Turkey and the time that you entered the United States; how  
8 long was that?

9 A. Seven months.

10 Q. And then how long have you been in the United States?

11 A. Ten months, maybe a little more than ten months, but ten  
12 months. Ten months.

13 Q. And it's still your testimony to this jury that you have  
14 your own independent recollection of listening to those two  
15 phone calls from back in 2013; is that correct?

16 A. Yes, that is so, and because I have many reasons for that.

17 Q. And how many times did you meet with or talk to the members  
18 of the prosecution team from the government to prepare to  
19 testify in court before you appeared?

20 A. Many times.

21 Q. More than 40, correct?

22 A. I would estimate that to be the case. It would be more  
23 than that.

24 Q. And how long -- approximately how long were each of those  
25 more than 40 sessions preparing with the U.S. Attorney's

HCDPATI5

Korkmaz - Cross

1 Office?

2 A. It varied based on the day, sometimes two hours, sometimes  
3 four hours, sometimes longer than that.

4 Q. Mr. Korkmaz, let me turn to another area. You testified on  
5 your direct examination about physical surveillance that people  
6 on your team did in Turkey when you were conducting this  
7 investigation that you've been talking about, correct?

8 A. That is correct. There are physical surveillance teams,  
9 and I would get in contact with the chief of the physical  
10 surveillance teams and, yes.

11 Q. Okay. And just so I understand how it worked, you,  
12 yourself, it sounds like -- as I understand it, you, yourself,  
13 were not going out and doing surveillance on people, correct?

14 A. That is correct.

15 Q. You were already relatively high up when you were running  
16 this investigation, right? You were supervisor?

17 A. I was the lead for the team that was conducting the  
18 investigation.

19 Q. And just so I understand one of your previous answers, it  
20 sounds like the person who was supervising the physical  
21 surveillance was beneath you, correct?

22 A. No.

23 Q. Can you explain that? Were you guys equal, or how did it  
24 work?

25 A. No. He was ranked higher than me, and he was chief over a

HCDPATI5

Korkmaz - Cross

1 section.

2 Q. So there was a whole separate surveillance section; is that  
3 right?

4 A. Correct.

5 Q. And as part of your investigation, there was a lot of  
6 physical surveillance done of the people that you're talking  
7 about that were suspects, correct?

8 A. That is correct.

9 Q. And there were a lot of surveillance photos taken like the  
10 ones you went through on direct with Mr. Lockard, correct?

11 A. That is correct.

12 Q. And as the supervisor of the unit, can you tell us, please,  
13 how many surveillance photos were taken as part of your  
14 investigation?

15 A. Are you asking about photographs or videos?

16 Q. Let's start with photographs.

17 A. I already said the photographs are frames taken out of  
18 videos.

19 Q. So all of these photographs are taken from videos?

20 A. Yes, those that belong to the technical surveillance  
21 activities. That's the case all the time.

22 Q. Okay. There were no still photos taken, only videos, is  
23 that what you're saying?

24 A. Some of our cameras had the ability to be able to take  
25 still pictures, along with taking the video, but whether that

HCDPATI5

Korkmaz - Cross

1 feature was utilized or not, I don't know.

2 Q. Okay. So is it fair to say you don't remember whether any  
3 still photographs were taken?

4 A. Yes.

5 Q. How many videos were taken as part of the surveillance, the  
6 physical surveillance, for your investigation?

7 A. There would be no videos in a physical surveillance.

8 Q. Well, maybe I'm misunderstanding what you mean by physical  
9 surveillance. Why don't you tell us, when were the videos  
10 taken?

11 A. The videos were shot during the activities of surveillance  
12 through technical tools and, also, the security camera footage.

13 Q. And can you give us some sense, or can you tell us the  
14 number of security -- videos of security camera footage and  
15 videos of surveillance that was taken by your teams as part of  
16 the investigation?

17 A. What I remember is that in our investigation there were  
18 about four security camera recordings, and the videos that  
19 would have been shot through the technical tools there during  
20 those surveillance activities would have been over 30, I  
21 believe.

22 Q. Let me turn your attention to --

23 MR. HARRISON: Mr. White, can you bring up Government  
24 Exhibit 106, please.

25 Q. Do you remember seeing this, Government's Exhibit 106, on

HCDPATI5

Korkmaz - Cross

1 your direct examination?

2 A. Yes.

3 Q. Okay. And Mr. Atilla, my client, is not depicted anywhere  
4 in that photograph, correct?

5 A. That is correct.

6 Q. And this money that's depicted in the photograph did not go  
7 to Mr. Atilla, correct?

8 A. Yes.

9 Q. And it did not come from Mr. Atilla, correct?

10 A. Yes.

11 MR. HARRISON: Mr. White, 105, please.

12 Q. Mr. Korkmaz, do you remember testifying about Government's  
13 Exhibit 105 on direct?

14 A. Yes.

15 Q. Mr. Atilla is not depicted in this photo, correct?

16 A. Yes.

17 Q. And the money depicted in 105 neither came from or went to  
18 Mr. Atilla, correct?

19 A. Yes.

20 MR. HARRISON: Mr. White, 970-14, please.

21 Q. Mr. Korkmaz, do you remember testifying about 970-14 on  
22 direct?

23 A. Yes.

24 Q. And Mr. Atilla is not depicted anywhere in this photograph  
25 either, correct?



HCDPATI5

Korkmaz - Cross

1 A. That is correct.

2 Q. And you talked a lot on direct about this location Turgev,  
3 do you remember that?

4 A. I did say that I know this place, yes.

5 Q. And Mr. Atilla has never been there either, correct?

6 A. I don't know.

7 MR. HARRISON: Mr. White, 971-16, please.

8 Q. Do you remember testifying about 971-16 on direct  
9 examination, Mr. Korkmaz?

10 A. Yes.

11 Q. And Mr. Atilla is not directed -- excuse me, Mr. Atilla is  
12 not depicted anywhere in 971-16 either, correct?

13 A. That is correct.

14 Q. Okay. And the money that's depicted in 971-16 neither came  
15 from nor went to Mr. Atilla, correct?

16 A. Yes.

17 MR. HARRISON: Mr. White 971-15, please.

18 Q. Mr. Korkmaz, do you remember testifying on direct about  
19 971-15?

20 A. Yes.

21 Q. And Mr. Atilla is not depicted in 971-15 either, is he?

22 A. I just want to make sure there's no translation error.  
23 He's not there.

24 Q. Yes, that's the question.

25 THE INTERPRETER: Yes, that is what he said. He said

HCDPATI5

Korkmaz - Cross

1 "he's not there."

2 Q. Okay. And the money depicted in 971-15, that neither came  
3 from Mr. Atilla nor went to Mr. Atilla, correct?

4 A. Yes.

5 MR. HARRISON: Mr. White, 971-78, please.

6 Q. Mr. Korkmaz, do you remember testifying on direct about  
7 971-78?

8 A. Yes.

9 Q. And Mr. Atilla, my client, is not depicted in 971-78,  
10 either, correct?

11 A. Yes.

12 MR. HARRISON: Mr. White, 971-79, please.

13 Q. Mr. Korkmaz, do you remember testifying on direct about  
14 971-79?

15 A. Yes.

16 Q. And Mr. Atilla is not depicted in 971-79 either, correct?

17 A. Yes.

18 Q. And you testified on direct about this location. It has  
19 something to do with the European Union ministry; is that  
20 right?

21 A. Yes.

22 Q. And Mr. Atilla has never been there either, has he?

23 A. I don't know whether he did.

24 Q. And, Mr. Korkmaz, I'm going to direct your attention to the  
25 date and time stamp on the bottom of that photo in Government's

HCDPATI5

Korkmaz - Cross

1 Exhibit 971-79. Do you see that date and time stamp?

2 A. Yes.

3 Q. You can correct me if I'm wrong. This is not a trick  
4 question, but I think you testified on direct that that date  
5 and time stamp on that photo was not correct. Is that what you  
6 said?

7 A. I didn't say that the date was wrong, but I had said that  
8 during our surveillance activities, due to device errors that  
9 there were times where the times or time stamps may be  
10 incorrect or sometimes the dates may be incorrect and that such  
11 variations would be mentioned on the activity reports  
12 afterwards. That's what I had said.

13 Q. And just so I understand, why on some of the photographs  
14 the date and time stamps not correct?

15 A. Because we were using more than one device. Some of these  
16 devices have this error, and we can't go away from that error.  
17 And some devices show the correct time -- or the correct stamp,  
18 excuse me.

19 Q. Okay. Thank you. So just so I understand, it's your  
20 understanding and it's your testimony that some of the video  
21 recording devices that were used in these surveillance  
22 pictures, the date and time were incorrect, right?

23 A. That is correct. However, we were indicating this on our  
24 own as well.

25 Q. On these other reports that you're talking about, correct?

HCDPATI5

Korkmaz - Cross

1 A. That is correct, the reports that are attached to these  
2 videos.

3 Q. But you can't tell just from looking at this picture, or  
4 any particular picture, which video date and time stamp is  
5 right and which ones are wrong, just from looking at the  
6 picture, right?

7 A. You can tell.

8 Q. You can tell just from looking at the picture?

9 A. For example, here it's obvious. Does it appear to be 10:00  
10 in the evening here?

11 Q. Oh, so your point is -- I'm not trying to trick you. I'm  
12 just trying to figure it out. Your point is because it's  
13 daylight out, so it doesn't look like it's almost 10:00 at  
14 night; is that right?

15 A. Yes.

16 Q. So by looking at this, can you tell us what time and date  
17 this actually did happen?

18 A. Just by looking at the image? I can tell, but somebody  
19 else may not be able to.

20 Q. Okay. So what date and time was this video actually done?

21 A. That would be on April 19th, 2013, between the hours of  
22 3:00 and 500 in the afternoon.

23 Q. And how do you know that?

24 A. Because I was on active duty during this activity at the  
25 unit.

HCDPATI5

Korkmaz - Cross

1 Q. In the office, correct?

2 A. Yes. I was working while the intercept was going on, and  
3 when the video was brought in, I watched it.

4 Q. Okay. But you weren't the one who actually took the video,  
5 correct?

6 A. That was not me, no.

7 Q. So but how do you know, as you sit here today, that this  
8 photograph, taken from a video, was between 3:00 and 5:00 and  
9 not at 9:55 at night?

10 A. That's because there was another camera that was taking  
11 footage from a different angle during that time.

12 Q. Okay. So the other camera you think was correct?

13 A. I recall that to be correct.

14 Q. So what time did that other camera say?

15 A. What I remember is that that would be between the hours  
16 that I mentioned. If I could see the report that I had written  
17 up, I can look at it and it would refresh my mind, and I could  
18 tell you exactly what time it was.

19 MR. HARRISON: Mr. White, 971-71, please.

20 Q. Mr. Korkmaz, do you remember testifying on direct about  
21 971-71?

22 A. Yes.

23 Q. And Mr. Atilla is not depicted in this picture either,  
24 correct?

25 A. Yes.

HCDPATI5

Korkmaz - Cross

1 Q. And, in fact, there are no surveillance photos or videos  
2 that depict Mr. Atilla at all, correct?

3 A. Yes.

4 MR. HARRISON: You can take down 971-71. Thank you,  
5 Mr. White.

6 Q. And Reza Zarrab is in these surveillance pictures a lot,  
7 correct?

8 A. That is correct.

9 Q. And I think, and correct me if I'm wrong, you testified on  
10 direct about his plane and people meeting on his plane,  
11 correct?

12 A. That is correct.

13 Q. And Mr. Atilla has never been on Mr. Zarrab's plane,  
14 correct?

15 A. I don't know. I don't have any information that it might  
16 have happened.

17 Q. In fact, Mr. Atilla has never met Mr. Zarrab in person, as  
18 far as you know, correct?

19 MR. HARRISON: Let me withdraw, and I'll rephrase it,  
20 Judge.

21 Q. Mr. Atilla never met personally, face to face, with  
22 Mr. Zarrab, correct?

23 A. I -- I don't recall such an occurrence.

24 Q. So as far as you know, from your surveillance, all the  
25 surveillance that you did and the investigation that you did,

HCDPATI5

Korkmaz - Cross

1 my client, Mr. Atilla, never met face to face with Mr. Zarrab,  
2 correct?

3 A. There's nothing that I remember pertaining to whether he  
4 had met with him.

5 Q. And on your direct examination, you referred a couple of  
6 times to a Mr. Happani that works for Mr. Zarrab, correct?

7 THE INTERPRETER: Could you please repeat that  
8 question? I'm sorry.

9 Q. Sure. On your direct examination with Mr. Lockard, you  
10 testified -- you discussed a couple of times a Mr. Happani, who  
11 works for Mr. Zarrab, correct?

12 A. I don't recall how many times I brought him up, but I  
13 remember talking about Abdullah Happani, yes.

14 (Continued on next page)  
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HCD3ATI6

Korkmaz - Cross

1 Q. My client, Mr. Atilla, has never met face to face with  
2 Mr. Happani either, correct?

3 A. I don't believe that he did.

4 Q. With all the surveillance, you never saw anybody else who  
5 you considered a suspect in this investigation going to  
6 Mr. Atilla's home, correct?

7 A. That is correct.

8 Q. You testified on direct that you are -- withdrawn.

9 You testified on direct, I believe, that Mr. Atilla  
10 was never given any money as part of the scheme or never took  
11 any bribes, correct?

12 A. He did not receive any bribes. There is not such a thing.

13 Q. Let me direct your attention to April 10 of 2013.

14 A. Yes.

15 Q. As part of your team's surveillance on that day, there was  
16 a photo, photos taken of Mr. Reza Zarrab going into Halkbank,  
17 at approximately 4:10 and then leaving again at approximately  
18 5:15, correct?

19 p.m. in the afternoon, evening.

20 A. Yes, I remember that and I remember the vehicle to be a  
21 large vehicle.

22 Q. I just want to ask you a couple questions about --  
23 withdrawn.

24 As part of your direct, you testified that there were  
25 a lot of wiretaps done, right? A lot of recording of people's



HCD3ATI6

Korkmaz - Cross

1 phone calls, right?

2 A. Yes.

3 Q. Can you describe for us, because I didn't really understand  
4 it from direct, the process by which you would record people's  
5 phone calls? How did it actually work?

6 THE COURT: The equipment?

7 MR. HARRISON: What, Judge?

8 THE COURT: Do you mean the equipment?

9 MR. HARRISON: The process. Who actually did the  
10 recording, who monitored it, things like that.

11 A. Certainly. The intercepts would be requested by the  
12 prosecutor from a court, and the judge would make a decision on  
13 that petition. And after receiving that order, then the  
14 prosecutor would provide a tasking --

15 THE COURT: What?

16 THE INTERPRETER: Tasking. Tasking of such activity.

17 And so the sentence was continuing, Judge, I will just  
18 add to that.

19 A. So then the prosecutor would issue a tasking in terms of  
20 who would carry out this activity. After that, this decision  
21 as well as the instruction would then be sent by the technical  
22 office within the financial crimes unit to KOM in Ankara. And  
23 the KOM directorate would then send the instructions, as well  
24 as the order, the decision, to TIB. So TIB has a law office,  
25 and they would review the details of this order. After that,

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Korkmaz - Cross

1 the TIB fulfills that order. And after that, once TIB fulfills  
2 that order, then the police officer would be able to see what  
3 TIB provides through a secure line and through the KDM, what's  
4 been intercepted.

5 So, at this point, the audios are not downloaded, they  
6 are maintained by TIB. So, the staff who is doing the  
7 monitoring would select the recordings that constitute an  
8 element of crime. And they would also select ones that would  
9 not be used in witnessing. And with any developments, the  
10 officer would inform his supervisor, so that the prosecutor's  
11 office could be notified. And these recordings containing  
12 elements of crime would then be transcribed through the system.  
13 Then these tapes or transcripts get printed out, and then the  
14 audio files would get downloaded as all audio as well as audio  
15 that contains elements of crime.

16 So, after the sound is downloaded to these data media,  
17 the administrator would order that all the sound recordings on  
18 the system be erased. And at this point we would have the  
19 transcripts, all the sound files, and sound files that contain  
20 elements of crime.

21 For the one containing all sound files, that one would  
22 exclude any sound bites that were marked as not for witnessing.  
23 In other words, those would get erased. And so then you could  
24 monitor these sound recordings on this data media that you  
25 have.

HCD3ATI6

Korkmaz - Cross

1 In fact, within the knowledge of the prosecutor, it is  
2 also possible to use these sound bites in the all sounds data  
3 media, and to identify any crime, elements of crime that may  
4 not have been identified earlier.

5 No intercepts or no monitoring could be done without a  
6 court order in any way. And a review of the court order gets  
7 done by TIB anyway. And the system itself is one that is  
8 designed by TIB, all in compliance with the applicable law.  
9 All intercepts within our investigation were carried out based  
10 on court orders. Within the investigation of December 17,  
11 there are more than 30 court orders and judge orders that were  
12 in that investigation.

13 Thus, when you were referring to the charges against  
14 me and one of them being illegal intercepts, all these  
15 allegations were baseless and they are slanders and all the  
16 intercepts were done with court orders.

17 Q. Okay. In relation to that, Mr. Korkmaz, those charges, as  
18 you mentioned on direct, are still open against you in Turkey,  
19 correct?

20 A. Yes.

21 THE COURT: Could I just ask a question. So, were you  
22 ever put on trial?

23 THE WITNESS: Yes, your Honor. I did, and I was  
24 released. Because in that 25th of December investigation for  
25 which I had been arrested --

HCD3ATI6

Korkmaz - Cross

1 THE COURT: 2013?

2 THE WITNESS: That is correct, your Honor.

3 In which I was arrested, I had not even taken part in  
4 that investigation at all. In other words, for an  
5 investigation, the 25th of December investigation, which is one  
6 that I had learned through the media just like everyone else,  
7 an investigation where I had not taken part or investigation  
8 that I had not even provided a single signature, I was  
9 prosecuted, and I was given charges such as a coup or illegal  
10 intercepts and such in this very investigation where I had not  
11 taken part.

12 So, sir, you mentioned terrorist, you mentioned coup,  
13 you mentioned illegal intercepts. I'm a police officer, I  
14 studied eight years for it. And in order to give back the  
15 value of the salary that I was receiving from the government, I  
16 did my job, and just like all the police officers, I did what I  
17 was supposed to do as a police officer.

18 And you mentioned that there was some charges against  
19 me, nine months after the December 17. No, these charges were  
20 being brought against me as of December 18. The politicians  
21 and other higher ups that had been implicated in this  
22 corruption, the only way that they could find was to call the  
23 police officers members of the Jamaat, also terrorists and  
24 agents. And that's what I've been facing since December 18,  
25 sir.

HCD3ATI6

Korkmaz - Cross

1           And in fact, the courthouses that are operating at the  
2           direction of these politicians, these allegations or these  
3           charges against are still being -- are still ongoing, and it's  
4           been four years, and there has been no indication of terrorism  
5           or coup or anything with regards to these cases that are still  
6           ongoing against us. Inasmuch as corruption is so immoral, it  
7           is also --

8           THE COURT: I think we should go back to the question.

9           MR. HARRISON: Thank you, your Honor.

10          THE WITNESS: I apologize, your Honor.

11          THE COURT: That's all right.

12          Q. Mr. Korkmaz, let me go over a couple things you just said.  
13          As part of both set of indictments against you, you were  
14          actually charged with being a member of the Gulenist  
15          Organization, correct, also known as FETO, F-E-T-O, which is  
16          designated as a terrorist organization in Turkey, correct?

17          A. With regards to that organization, whether you call it the  
18          Gulen organization, the terror organization, or Jamaat  
19          organization, I have no connection with them or no information  
20          about them. I'm not a member of that organization. I am a  
21          police officer.

22          Q. Let me ask you some questions about that. You said on  
23          direct examination that you graduated from the police academy I  
24          believe in 2010; is that correct?

25          A. Yes.

HCD3ATI6

Korkmaz - Cross

1 Q. You said you graduated I think number three in your class;  
2 is that right?

3 A. Yes.

4 Q. It's been widely reported in Turkey that during that  
5 period, the Gulenist organization had stolen the answers to the  
6 national police exam, and given it to their members in order to  
7 promote them through the police organization. Correct?

8 MR. LOCKARD: Objection.

9 THE COURT: Sustained.

10 MR. HARRISON: If he knows, Judge.

11 THE COURT: Sustained.

12 Q. You are aware, are you not, Mr. Korkmaz, that the Gulenist  
13 organization did have as a goal to promote their people up  
14 through the national police force in Turkey, correct?

15 MR. LOCKARD: Objection.

16 THE COURT: If you know.

17 A. These are things that were all written up and mentioned and  
18 talked about. But I did not witness this personally myself.

19 Q. It wasn't just written up and talked about, there was  
20 actually a criminal case in Turkey in 2012 that determined that  
21 members of the Gulenist organization had in fact stolen the  
22 answers to the national police exam, correct?

23 MR. LOCKARD: Objection.

24 THE COURT: If you know.

25 A. I don't have information on such a case, truly.

HCD3ATI6

Korkmaz - Cross

1 Q. After you graduated from the police academy and joined the  
2 Turkish police force, you had a pretty rapid rise in the police  
3 department, correct?

4 A. I still had the same rank.

5 Q. Well, when, after you graduated -- withdrawn.

6 When you graduated from the police force, from the  
7 police academy, how old were you?

8 A. I was about a year older than my classmates, and I was 23  
9 years old.

10 Q. I think you said, you testified on direct that you  
11 immediately were a ranked officer and were in charge of  
12 supervising three other people, correct?

13 A. That is correct, three police officers.

14 Q. And then relatively quickly you got a promotion, correct?

15 A. A year and a half later, my desk where I was working was  
16 changed to another.

17 Q. And that was a promotion that put you in charge of more  
18 people, correct?

19 A. Yes, my unit chief had found me to be very successful.

20 Q. Okay. And that was within a year and a half of getting  
21 there, correct?

22 A. That is correct.

23 Q. At that time you were put in charge of eight people if I  
24 recall your testimony correctly; is that right?

25 A. No, what I had said was at the time that I left that post,

HCD3ATI6

Korkmaz - Cross

1 I had eight people under me.

2 Q. I'm sorry, you had what?

3 THE INTERPRETER: Eight people working for me at the  
4 time I left the post.

5 A. In other words, in other words it was three and a half  
6 years later, that I was leading a group of eight police  
7 officers.

8 Q. At that time, you were the head of the financial crimes  
9 unit in the police department in Istanbul, correct?

10 A. No, I was not the person in charge of the financial crimes  
11 unit, no. That would be someone at a rank of superintendent.  
12 I would have to wait another 16 years to be able to get that  
13 position.

14 Q. But within three years of getting out of the police  
15 academy, you were running an investigation into the prime  
16 minister of Turkey, and a billionaire named Reza Zarrab who was  
17 very well known, correct?

18 A. We did not have any information, nor any evidence, that  
19 would indicate at the outset of the investigation that Reza  
20 Zarrab may have had any connection to a politician. For  
21 example, the first bribe that was sent to Suleyman Aslan  
22 occurred during our investigation. And likewise, other bribes  
23 that were given to other individuals, also happened during the  
24 course of the investigation such as the bribe that was sent to  
25 Egeman Bagis and also --



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Korkmaz - Cross

1 THE COURT: Could you spell that last name?

2 THE INTERPRETER: B-AG-I-S.

3 A. And also the bribe that was sent to Muammer Guler, who was  
4 not the minister of interior at that time but was made the  
5 minister of interior later on. Same with Recep Tayyip Erdogan.  
6 So as of the outset of the investigation --

7 THE COURT: As of the what?

8 THE INTERPRETER: As of the outset.

9 A. Of the investigation in September 2012, I'm not a fortune  
10 teller, and I had no clue that these individuals would get  
11 involved in a bribery scheme.

12 Those that may have listened to it yesterday might  
13 remember the judge had asked whether this investigation had  
14 included bribery in the beginning, and my answer was that no,  
15 it was not an investigation with bribery in the beginning, but  
16 that was added later. But, in the very end, I do feel the  
17 pride of being able to have conducted such an investigation.  
18 And I thank God for being able to have had the opportunity to  
19 take part in such an investigation.

20 Q. From pretty early on, Mr. Korkmaz, you were steering the  
21 investigation towards bribery though, correct?

22 A. The first identification of such had been made in October  
23 with the first bribe that had been sent to Suleyman Aslan.

24 THE COURT: October of what year?

25 THE WITNESS: It's 2012, your Honor.

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Korkmaz - Cross

1 Q. And that's one month or less, I think that you testified on  
2 direct, after the investigation began, correct?

3 A. That is correct.

4 Q. Correct me if I'm wrong, but I believe you testified on  
5 direct about some -- I didn't fully understand it -- some  
6 method of communication that you used as a police officer, I  
7 think it was called the Spark system or something like that?

8 A. Yes, we were using the application called Spark.

9 THE INTERPRETER: Excuse me. I'm not sure that I  
10 heard the pronunciation correctly. Can I just ask.

11 THE WITNESS: Yes, we were using the system called  
12 Spark.

13 Q. At some point on that Spark system -- well, withdrawn.

14 In one of your indictments, in Turkey, there was an  
15 intercept from your communications on that Spark system,  
16 correct?

17 A. Sir, I'd like to thank you very much for asking me this  
18 question first.

19 MR. HARRISON: Judge, I'm going to ask the witness to  
20 be directed to answer my question.

21 THE COURT: If you could just answer his question.

22 THE WITNESS: Right. I do want to provide an answer  
23 for this question very much.

24 I have always dreamed of an independent judicial body  
25 that would allow me to be able to make or give an answer to

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Korkmaz - Cross

1 this question.

2 THE COURT: Whoa.

3 MR. HARRISON: Move to strike and have him directed to  
4 answer the question.

5 THE COURT: He just asked you, I think there was an  
6 attachment -- is this right, counsel -- to one of the two  
7 indictments that included a Spark intercept.

8 MR. HARRISON: Yes, your Honor.

9 THE COURT: That's all he's asking for now.

10 THE WITNESS: I apologize for me getting excited, your  
11 Honor.

12 THE COURT: Incidentally, the lawyer for the  
13 government have a chance to exam you when he's finished.

14 THE WITNESS: I understand.

15 Yes, there was such a slander, a fake one that was put  
16 out against me. And because of that, I ended up under arrest  
17 for a year and a half, related to an investigation that I had  
18 never taken part in.

19 Q. Okay. The fake one, the fake spark message, according to  
20 you, read in part as follows: You said this will be a good  
21 subject. And the reply was --

22 THE COURT: Do you have it?

23 MR. HARRISON: I'm asking him if this is correct.

24 THE COURT: If this is what it says or are you going  
25 to give him an opportunity?

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Korkmaz - Cross

1 MR. HARRISON: I was going to ask him first, Judge, if  
2 he remembers this.

3 THE COURT: Well, why don't you just ask him does he  
4 remember the content of the Spark.

5 MR. HARRISON: I'd like to direct him to the  
6 communication.

7 THE COURT: Then maybe you should show it to him.

8 MR. HARRISON: I want to see if he knows  
9 independently.

10 THE COURT: That's why I said why don't you just ask  
11 him if he knows what's in the message.

12 MR. HARRISON: Okay.

13 Q. In the Spark communication, Mr. Korkmaz, did you say "We  
14 will gather the council of ministers here"? Do you remember  
15 saying that?

16 A. What date is there for that communication, sir?

17 Q. Do you remember -- do you remember the date? Do you know  
18 the date of that Spark communication? You are the one that  
19 sent it.

20 THE COURT: You're asking the questions. He's asking  
21 do you have a date.

22 MR. HARRISON: All I'm asking him so far, your Honor,  
23 is does he remember from the indictment that a Spark message  
24 that says the following --

25 THE COURT: From which indictment?

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Korkmaz - Cross

1 MR. HARRISON: The first indictment.

2 THE COURT: Okay.

3 A. Sir, that indictment would have a date along with it. And  
4 if you were able to give me that full information, it would be  
5 easier for me to remember.

6 Q. All I'm asking you right now, Mr. Korkmaz, is do you  
7 remember that the indictment included a Spark message that said  
8 "We will put them under constant pressure, we will gather the  
9 council of ministers here."

10 Do you remember that first indictment having that  
11 information in it?

12 A. I did not write such a communication. And this is a  
13 complete slander against me that was put in the indictment.  
14 And I can prove with documentation that this is a fake one.

15 MR. HARRISON: Judge, may I approach?

16 THE COURT: Sure.

17 Q. Mr. Korkmaz, I have what's marked there as Defense Exhibit  
18 5010. Take a look at that, please, and take as much time as  
19 you need and let me know if you recognize that.

20 A. Yes.

21 Q. Mr. Korkmaz, do you recognize Defense Exhibit 5010?

22 A. That is correct.

23 Q. All I asked, is that the indictment, the first indictment  
24 that was brought against you?

25 A. That is correct.

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1 Q. There was an attachment to that indictment as well,  
2 correct?

3 A. So this is actually just the introduction to the  
4 indictment. The indictment itself is not even here.

5 THE COURT: I think we'll take our break. It is 20 to  
6 5. So we'll excuse the witness, ask you to come back at 9:15  
7 tomorrow.

8 THE WITNESS: I understand, sir. Thank you.

9 (Witness temporarily excused)

10 THE COURT: And we'll excuse the jury with these  
11 instructions as usual. First, do not talk to each other about  
12 this case or about anyone who has anything to do with it until  
13 the end of the case, when you go to the jury room to deliberate  
14 on your verdict.

15 Second, do not talk with anyone else about this case  
16 or about anyone who has anything to do with it until the trial  
17 has ended, and you have been discharged as jurors.

18 Third, do not let anyone talk to you about the case or  
19 about anyone who has anything to do with it, and if someone  
20 should try and talk to you about the case, please report that  
21 to Christine or me immediately.

22 Fourth, do not read any news or internet stories or  
23 articles or blogs or tweets or listen to any radio or  
24 television or internet reports or cable reports about the case  
25 or about anyone who has anything to do with it.

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1           And fifth, do not do any type of research or any type  
2 of investigation about the case on your own.

3           So, we are making very good progress, I think. And  
4 I'll see you tomorrow at 9:15.

5           (Jury excused)

6           THE COURT: We need to talk a little bit further about  
7 the defense motion for a mistrial. So I'm not going to accept  
8 it at this time. I'm going to give it back to you, because it  
9 has some portions of it that says you're going to add to it or  
10 supplement it or whatever. So I'm really looking for the  
11 definitive non-abridged or -- there is not going to be any  
12 replies or anything to in this procedure.

13           So, whenever you want or even if you want this same  
14 one, just indicate or take out the language that says we're  
15 going to supplement or add or whatever. Or else wait, if you  
16 want, until that time and submit it as of then. I'd like a  
17 document that just supports your position.

18           MR. ROCCO: Sure.

19           THE COURT: And also, you say in here, which is  
20 perfectly fine, that you're not seeking any kind of instruction  
21 I take it. So, that's what I'm reading from your position  
22 also.

23           MS. FLEMING: What we think is the curative  
24 instruction doesn't cure it, Judge.

25           THE COURT: I get it. I read it. So that's fine.

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1 And that's your position. I think that's just fine.

2 Now, so, I think the government could probably get  
3 going on its response in before, but when can we first have the  
4 revision?

5 MS. FLEMING: We'll take out the language, your Honor,  
6 and we'll have it to you tomorrow by 10 o'clock.

7 THE COURT: So I'll deny this motion without  
8 prejudice. 10 o'clock tomorrow you'll have --

9 MS. FLEMING: Let me just say my secretary has been  
10 working late. Let me give her until noon.

11 THE COURT: All right. Noon. When will you be able  
12 to submit a response?

13 MR. LOCKARD: I think if the Court wants the motion  
14 fully submitted by the end of the week we could do it --

15 THE COURT: No. The end of the week is like an  
16 eternity. We're talking tomorrow at some time.

17 MR. LOCKARD: Tomorrow by --

18 THE COURT: Let's say 5 o'clock.

19 MR. LOCKARD: Okay.

20 THE COURT: Okay. So, all right. Great. Nice to see  
21 you all.

22 MS. FLEMING: Thank you, your Honor. Could I just  
23 talk about scheduling so we know what we're doing tomorrow?

24 THE COURT: I think you might control the schedule.

25 MR. ROCCO: Yes, your Honor. Thank you.



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1 THE COURT: Is that right?

2 MS. FLEMING: We think they control it.

3 MR. LOCKARD: We think, you know, barring -- we think  
4 we're going to rest tomorrow.

5 THE COURT: I thought you already had.

6 MR. LOCKARD: So we hadn't rested. We still have  
7 redirect of Mr. Korkmaz and I think we've discussed we still  
8 had one very short witness that we were mentioning earlier.

9 THE COURT: I think more experts really just clutter  
10 it up.

11 MR. LOCKARD: But even if we did call that expert,  
12 still tomorrow we would be resting.

13 THE COURT: So we're going to continue with the cross,  
14 how long do you think?

15 MR. HARRISON: Not a ton, Judge. Let me talk to  
16 counsel and figure it out, but it is not going to be too  
17 lengthy.

18 THE COURT: So some time tomorrow morning you think?

19 MR. HARRISON: Don't hold me to it. But probably yes.

20 THE COURT: Okay.

21 MS. FLEMING: Should we plan to start our case if  
22 we're putting one on on Friday morning?

23 THE COURT: No, I think tomorrow.

24 MS. FLEMING: Hope springs eternal for Rule 29 or  
25 mistrial.

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1 THE COURT: But you just said when.

2 MS. FLEMING: I said if we put one on.

3 THE COURT: No, I think meet and confer with  
4 Mr. Harrison and figure out when you think he'll be finished  
5 and then I know the government won't be long on redirect. So,  
6 I think we could have more witnesses tomorrow.

7 MS. FLEMING: If they're calling the person that we  
8 talked about at sidebar, that will be a sizable cross. We  
9 didn't do the first one. We're going to do the second one.

10 THE COURT: No. I don't think they -- well, you know,  
11 do you want to decide that now? I think you should think that  
12 over, overnight.

13 MR. LOCKARD: I don't think that the defense has  
14 anticipated cross should prejudice our ability to put someone  
15 on.

16 THE COURT: It doesn't impact me at all. I took the  
17 position even before I heard her say there was going to be any  
18 cross.

19 MR. LOCKARD: I think the government would also  
20 appreciate some level of heads up on who is going to be called  
21 and what if any exhibits are going to be introduced through  
22 those people.

23 MS. FLEMING: We're happy to. That's what I'm trying  
24 to figure out when it will be, because it depends.

25 THE COURT: I think tomorrow. They should be

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1 available tomorrow. I don't know about "they." I don't know  
2 how many you have. I remembered two from the motion practice.

3 MS. FLEMING: We will have to see who is here.

4 THE COURT: No.

5 MS. FLEMING: We'll see who is here.

6 THE COURT: Oh.

7 MS. FLEMING: We'll check.

8 THE COURT: Whatever. But anyway, see if you can get  
9 somebody ready, available tomorrow. Because I think there is  
10 going to be -- and here's what I'm really saying. It would be  
11 so much better if we could get this thing done this week in  
12 fact. And maybe that's even possible. But I don't know how  
13 long your witnesses will be.

14 Let me say it another way. I want two full trial  
15 days, one tomorrow, and one Friday. No short days. So, figure  
16 out how to fill that time. And that's the best guide I can  
17 give you.

18 All right? Thanks. All right. Thanks a lot.

19 (Adjourned until December 14, 2017, at 9:15 a.m.)  
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21  
22  
23  
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